

Defense Official Charged In U.S. Stock Investigation

The Associated Press

NEW YORK — The Securities and Exchange Commission filed charges Thursday against Paul Thayer, who resigned as defense secretary Wednesday, and eight others with involvement in an alleged insider stock trading scheme.

The lawsuit, filed in U.S. District Court in Manhattan, charged that Mr. Thayer had improperly disclosed inside information involving proposed acquisitions by LTV Corp., Allied Corp. and Anheuser-Busch Cos. before going to the Pentagon. Mr. Thayer said on the boards of all three companies before taking the defense post last January.

The SEC seeks a court order requiring the defendants to give up profits gained through insider trading. In a statement issued by the defense department when he resigned, Mr. Thayer, 64, declared the allegations "entirely without merit." His resignation is effective Jan. 12.

According to the lawsuit, a group of defendants who made stock in-

vestments based on inside tips got more than \$1.9 million in profits. They traded in the stock of LTV, Grumman Corp., Supron Energy Corp., Campbell Taggart Inc. and Bendin Corp., it added.

The lawsuit also charged that Mr. Thayer disclosed inside information involving "increased earnings and the reconstitution of dividends" by LTV.

The other defendants were identified as Sandra K. Ryno, 38, identified as a former LTV receptionist; Billy Bob Harris, 44, a broker in the Dallas office of A.G. Edwards & Sons Inc.; Gayle L. Schroeder, 46, chairman of banks that lent money to Mr. Thayer to buy securities; Malcolm B. Davis, 48, president of the Pios Inc. insurance agency; Doyle L. Sharp, 52, a Dallas doctor; Julie Williams, 26, of Dallas; Julia D. Rooker, 37, an airline flight attendant; and William H. Mathis, 45, an Atlanta stockbroker.

Replacement Search

Fred Hiett of The Washington Post reported from Washington: Defense Secretary Caspar W.

Weinberger, who consistently delegates the day-to-day duties of managing the Pentagon to his second-in-command, is without a deputy for the second time in 12 months.

Mr. Thayer took up his post after Mr. Weinberger's confidant and first deputy, Frank C. Carlucci, left to enter private industry. Defense Department officials said that a qualified replacement may be difficult to find with only one year of President Ronald Reagan's term left.

Mr. Weinberger rarely participates in the deliberations of the Defense Resources Board, the Pentagon council that shapes the military budget request. Officials said Mr. Thayer had skillfully chaired its meetings in December and his absence could cause problems if the White House demands more cutbacks this month in the Pentagon's proposed budget for 1985.

"This is always a hardball time," one official said. "His leaving could have a big impact, especially at this late stage of the game."

Although Washington has often looked to major military contrac-



Paul Thayer

tors for talent for the deputy's position, several Pentagon officials said no leading executive was likely to take the post for so short a time.

Speculation at the Pentagon centered on current officials, including William Howard Taft 4th, the department's top lawyer. Air Force Secretary Verne Orr, Army Secretary John O. Marsh Jr., and Lawrence J. Korb, assistant secretary for manpower, reserve affairs and logistics.

New Heterosexual AIDS Case Reported

By Lawrence K. Altman

New York Times Service

NEW YORK — New evidence has emerged that acquired immune deficiency syndrome, or AIDS, can be spread heterosexually and transmitted even before a person shows outward manifestations of the disease.

A team of doctors from the University of Miami and the Centers for Disease Control in Atlanta said the new report, released Wednesday in the January issue of The Annals of Internal Medicine, involved a hemophilic who was believed to have passed the disease to his wife. Previous cases of AIDS being transmitted heterosexually involved female sexual partners of male intravenous drug abusers and bisexuals.

The report involves two of the most unusual cases of AIDS yet reported: those of a Florida couple in their 70s who had been married for 50 years. The cases involved two of the oldest victims of the disease, and doctors were led to the diagnoses in both cases by an autopsy performed on the husband.

The husband came down with overt symptoms of AIDS last January and died in May. He is believed to have contracted the disease from injections of a blood product known as factor VIII, which he took to prevent excessive bleeding.

The wife caught the illness from her husband, the researchers believe, although she developed it a full year earlier, in January 1982. She is alive but still suffering from AIDS. No cure has been found for the disease, which experts say is invariably fatal.

It is not uncommon among people who suffer from an infectious disease, as AIDS is suspected of being, for the causative organism to be spread by victims before they develop its manifestations. Many researchers suspect AIDS is caused by an infectious agent, presumably a virus, which may be spread by blood, blood products, blood-con-

taminated needles or sexual contact.

In this case, since the wife was not a member of any group considered at risk for the disease, researchers led by Dr. Arthur E. Pitkin of the University of Miami concluded that she had acquired the disease from her husband, presumably through sexual intercourse.

The husband was one of 21 hemophiliacs thought to have acquired AIDS from injections of the factor VIII blood product. The husband and wife said they had had intercourse only with each other. "We determined that her only apparent risk factor was sexual intercourse once every two to three months with her husband," the authors said.

In January 1982 the wife developed thrush, a fungal infection. She also developed a fungal infection in her fingernails, and fatigue. The thrush responded to drug treatment but returned whenever treatment was stopped. In January 1983 she began to experience episodes of diarrhea. AIDS was not then considered a diagnosis.

About the same time her husband became ill with fever, cough, malaise, progressive weakness and weight loss. He entered a Florida

hospital in April and died three weeks later from a pneumonia whose cause was not determined.

An autopsy, however, showed that he had died of pneumonia caused by the microbe pneumocystis carinii, which frequently affects AIDS patients, but few others. Given the patient's other ailments, the AIDS diagnosis only then became apparent.

In June the wife entered another Florida hospital because of fever, cough and shortness of breath. She also developed pneumonia that was found to be caused by pneumocystis carinii. Tests showed she had the type of abnormality of her T-lymphocytes that occurs in AIDS.

Epidemiologists from the Centers for Disease Control in Atlanta joined the investigation seeking clues as to how the wife might have acquired AIDS. There had been no previous reports of female sexual partners of hemophiliacs contracting AIDS.

The epidemiologists excluded all conventional ways of getting the disease. The wife denied using illicit drugs and ever injecting her husband with the factor VIII treatment for his hemophilia. She had not received any blood transfusions, not stuck herself with a needle used in her husband's care, and

had not shared a toothbrush or razor with her husband. She had no known contact with anyone in a risk group.

Such groups include homosexual or bisexual men, intravenous drug abusers, hemophiliacs, and recent immigrants from Haiti.

Dr. Fitcher also said it was theoretically possible but very unlikely that the wife might have developed AIDS first through an unknown source and transmitted the disease to her husband.

Kenneth Sitzberger, 38, An Olympic Diver, Dies

CORONADO, California — Kenneth Sitzberger, 38, winner of an Olympic gold medal for springboard diving in 1964, died at a hospital here after his wife found him unconscious and breathing irregularly in his bedroom, police said.

At first it was thought Mr. Sitzberger, who died Monday, had suffered a stroke or cerebral hemorrhage, police said Wednesday. But an autopsy indicated he had suffered a head injury. (UPI, AP)

After U.S. Demand on Death Squads, El Salvador to Send 2 Officers Abroad

By Dan Williams

Los Angeles Times Service

SAN SALVADOR — Following U.S. demands to curb death squad activity, the Salvadoran Army is reassigning two military officers to posts abroad, they have headed into exile, linked by U.S. officials to death squads.

The two, Major José Ricardo Pozo, former intelligence chief of the Treasury Police, and Lieutenant Colonel Aristides Márquez, former head of intelligence for the National Police, will be assigned to Salvadoran government posts outside the country at an unspecified date, an army spokesman, Ricardo Cienfuegos, said Wednesday.

Major Pozo will be sent to the Salvadoran Embassy in Paraguay as a military attaché, the army spokesman announced. It was not known where Colonel Márquez would be assigned. Both men were transferred from their intelligence jobs to other posts in a November shakeup of military leaders.

U.S. officials have linked intelligence units of both the Treasury and National Police with death squads formed in the mid-1970s.

Vice President George Bush, on a visit to El Salvador last month, pressed the Salvadoran government to end death squad activity. He offered increased military aid as an incentive.

The Salvadoran Defense Ministry denied that the transfer of Major Pozo and Colonel Márquez was linked to U.S. demands, which have been opposed by some Salvadoran rightists and army officers.

"So far as I know, the decision was made because the minister of defense decided, not because of American pressure," Mr. Cienfuegos said. "It's because the minister of defense considers it good for the armed forces."

One high-ranking army officer complained, "I hold that what's being asked is something without precedence and something that should not have been done."

U.S. officials here have responded cautiously to the Pozo and Márquez orders and other recent moves by the army to deal with officers publicly identified with the death squads.

"Some progress has been made,

and there is more that can be done," a U.S. official said.

Still expected are the arrests or expulsions of suspected civilian death squad members and a ban on secret arrests by security agents.

Ridding the country of civilian extremists is a vexing problem for the government. U.S. officials maintain, because technically the army has no authority over them. "All they can do is call the men and suggest that maybe it would be better if they left the country voluntarily," one diplomat said.

In another development, it was disclosed that leftist guerrillas had released 42 soldiers captured in an assault on an army brigade headquarters near the town of El Paraíso last week.

The captives were taken to the town of Tejutla on Tuesday night and turned over to the local parish priests, the Defense Ministry said. The men had been stripped of their uniforms and wore only underwear, Mr. Cienfuegos added.

The army general staff was reported to be investigating failures of defense in El Paraíso, where more than 100 soldiers were killed.

Reagan Seeks Savings on Hospital Care

By Robert Pear

New York Times Service

WASHINGTON — President Ronald Reagan will ask Congress to revise the Medicare program so that elderly people would have to pay more for the first weeks of hospital care, but in return the government would provide greater protection against the costs of a long illness, according to administration officials.

Government actuaries say that without fundamental changes, Medicare's hospital insurance trust fund will run out of money by 1990. The program pays hospital and doctors bills for 36 million elderly and 3 million disabled people. Since 1970, federal outlays for the program have been rising at an annual rate of nearly 18 percent.

Budget documents given to some Republican members of Congress on Tuesday show that under current law, Medicare would cost \$68.4 billion in the fiscal year 1985, which starts Oct. 1. Administration proposals would reduce this figure by 3 percent, to \$66.3 billion, substantially more than the \$59.8 billion projected for fiscal 1984.

Under current law, a Medicare patient must pay a deductible, now \$356, for the first day in a hospital, but there is no charge for the next 59 days. For days 61 through 90, the daily charge is equal to 25 percent of the deductible. If further hospitalization is required, the beneficiary must pay a daily charge equal to at least half the deductible, and the patient must pay the entire cost after 150 days.

Under the Reagan proposal, the patient would have to pay the same first-day deductible. For the next two weeks, there would be a daily charge equal to 8 percent of the deductible. For the 16th through the 60th day, the daily charge would be 5 percent of the deductible, and the government would pay all hospital costs after two months.

A Medicare patient who spends five months in the hospital would pay \$13,500 under current law, compared with about \$1,570 under the administration's proposal.

The budget documents also show that the administration is proposing an 11-percent cutback in welfare and outlays of 4 percent each in nutrition programs, subsidized housing and Medicaid, the health care program for the poor.

California Court to Rule In Right to Die Case

The Associated Press

RIVERSIDE, California — The state Supreme Court has agreed to rule on whether a hospital is required to allow a cerebral palsy victim, fighting for the right to die, to starve to death.

On Wednesday, the court said it would rule on the case of Elizabeth Bouvia, 26, who was appealing an earlier rejection of her request for painkillers and hygienic care in a hospital while she ends her life. Riverside General Hospital, where Mrs. Bouvia is being force-fed, will allow her to starve while the court makes its ruling, hospital officials said.

U.S. Expected to Shift 2 Leading Latin Envoys

By Joanne Omang

Washington Post Service

WASHINGTON — Two key U.S. ambassadors in Central America are expected to be replaced within the next few months, as soon as suitable reassignments can be found for them, according to State Department and congressional sources.

Anthony C.F. Quintano in Nicaragua and Frederic L. Chapin in Guatemala have been controversial during their tenure. Administration critics charge that they are the latest of several ambassadors to be removed for insufficient devotion to Reagan administration policy in the region.

Ambassadors Deane R. Hinton in El Salvador and Francis J. McNeil in Costa Rica were replaced last year, allegedly for similar reasons.

The State Department reaffirmed its support for Mr. Quintano on Wednesday and denied published reports that Henry A. Kissinger, the head of a bipartisan commission on policy in Central America, had recommended Mr. Quintano's removal. But officials said privately that they would not be surprised if Mr. Quintano is reassigned shortly.

Similarly, Mr. Chapin is reported to be "getting ready to wind things up" there and return to Washington for reassignment.

Both diplomats have been in their current positions for about two years, the standard stay in posts where there is considerable personal danger or strong controversy over U.S. activities.

Mr. Quintano, 49, a Foreign Service officer since 1959 and an expert on terrorism, has long been known for his candor and accessibility, traits that won him praise from liberals and others normally critical of the Reagan administration.

He is known to have opposed the administration's allegations of anti-Semitism in Nicaragua last year and has consistently voiced to visitors a description of the leftist Sandinist government that many visitors found more conciliatory than the Reagan line.

Mr. Chapin, 54, a 30-year veteran of the Foreign Service, has been in the United States since November. His prolonged absence from his post is described by diplomatic sources in Guatemala as a message of U.S. displeasure to Guatemala's rightist military government over continuing violence against civilians there.



Frederic L. Chapin

He went to Guatemala in mid-1981 and frequently has been characterized by liberals outside the government as ineffective and frustrated in his efforts to curb human rights abuses.

Mr. Chapin will return shortly to Guatemala, State Department officials said. But another source with close ties to the Reagan administration said the trip would serve only to end Mr. Chapin's tour of duty. He is expected to be reassigned within three months.

Dutch Court Sentences Surinamese in Beer Plot

The Associated Press

THE HAGUE — A physician accused of trying to export \$20 million from Heineken Breweries by threatening to contaminate its beer was sentenced Thursday to five years in prison.

Herman Doerger, 41, a Surinamese-born physician living in the Netherlands, told the court he had devised the plot to raise money for the government of Surinam's leader, Lieutenant Colonel Dési Bouterse. The court said it had found no proof that Bouterse supporters had been involved in the plot.

Judge Henry P. Nelson ordered the jury to return to court Monday to begin hearing evidence about the penalty.

Outside the courtroom, Mr. Rubin told reporters, "We are very pleased with the verdict and with the finding of one of the special circumstances. I will reserve any further comments on this case and on the evidence until after the penalty phase has concluded."

Paul J. Geragos, Mr. Sassounian's lawyer, said he would make no statement about the verdict.

Sarkis Ghazarian, editor of the English-language version of Asbarez, a bilingual newspaper serving the Armenian community, said, "I think the feeling in the community is that, based on the evidence presented, there was reasonable doubt that he was the person that the prosecution was saying was there. I think the community is going to feel very saddened, disappointed. I think the community in general was anticipating vindication of Mr. Sassounian."

U.S. Envoy Holds Round of Talks With Nicaraguans

United Press International

MANAGUA — Richard B. Stone, the U.S. special envoy to Central America, met Thursday with Nicaraguan officials. He also saw representatives of the business community and church who oppose the Sandinist regime.

Mr. Stone talked for one hour with Foreign Minister Miguel Alemán Brockmann and Nicaragua's ambassador to the United Nations, Victor Hugo Tinoco, during the morning. He then joined opposition leaders for lunch.

In Mr. Stone's latest tour of the region, he has visited Guatemala, Honduras, El Salvador and Costa Rica and was scheduled to depart later Thursday for Colombia, a member of the Contadora group seeking regional peace.

Ministers from the Contadora group — Colombia, Mexico, Panama and Venezuela — plan to meet in Panama this weekend to discuss a peace plan for Central America.

On Wednesday, Mr. Stone praised the Contadora initiatives and said President Ronald Reagan's support for the group's effort shows he does not seek a military solution in the region, as critics claim.

Armenian Is Convicted In U.S. Killing of Turk

By Robert W. Stewart

Los Angeles Times Service

LOS ANGELES — Harry M. Sassounian, an Armenian immigrant from Lebanon, was found guilty of murder in the first degree of the Turkish consul general, Kemal Arkan, who was shot and killed in Los Angeles in 1982.

A jury in Los Angeles County Superior Court also found Wednesday that Mr. Sassounian, 20, killed Mr. Arkan, 54, because of his nationality. Because of that special circumstance, Mr. Sassounian could face the death penalty or life in prison without the possibility of parole.

The district attorney, Luel Rubin, charged that Mr. Sassounian, a resident of nearby Pasadena, and at least one accomplice killed Mr.

Arkan to avenge the massacre of Armenians by the Turks in 1915.

Mr. Arkan was shot to death Jan. 28, 1982, at the intersection of Wilshire Boulevard and Comstock Avenue as he sat in his car at a traffic light.

Judge Henry P. Nelson ordered the jury to return to court Monday to begin hearing evidence about the penalty.

Outside the courtroom, Mr. Rubin told reporters, "We are very pleased with the verdict and with the finding of one of the special circumstances. I will reserve any further comments on this case and on the evidence until after the penalty phase has concluded."

Dutch Ground 30 F-16 Jets

Reuters

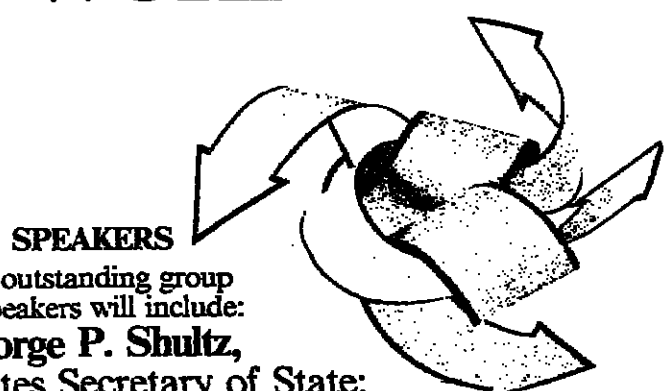
THE HAGUE — The Dutch Air Force has grounded about 30 of its 93 U.S.-made General Dynamics F-16 fighter-bombers because of defects in the aircraft's engine cooling system, the Defense Ministry said Thursday. Only aircraft that had more than 200 flight hours were grounded, the ministry said.

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United Press International

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Angola May Ask Cuban Aid

United Press International

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Ministers from the Contadora group — Colombia,

Bring Back Democracy In Nigeria

By Jonathan Power

LONDON — In the years immediately after John Updike published his 1978 novel "The Coup," readers could take comfort from the knowledge that Africa was emerging from a dark age.

In 1980 Zimbabwe became independent after long years of civil war had been ended by free elections; conducted by the British who had been invited back as part of the constitutional settlement. This was a triumph for Africa. It was a triumph that was a choice: the battle was run by a British officer, Ian Smith, who had been invited back as part of the constitutional settlement. This was a triumph for Africa. It was a triumph that was a choice: the battle was run by a British officer, Ian Smith, who had been invited back as part of the constitutional settlement.

Like most of the other former British and French territories, Nigeria had begun as a democracy. But in 1966 the military overthrew the government. Since then the country has been ruled by a series of military dictators. The military has been the dominant force in Nigerian politics. The military has been the dominant force in Nigerian politics. The military has been the dominant force in Nigerian politics.

Nigeria is a paradox. It has more oil than any other African country, yet it also possesses a vast area of land that is almost completely barren. It has a large population, yet it is one of the poorest countries in the world. It has a rich cultural heritage, yet it is a country of many tribes and languages. It has a long history of democracy, yet it has been ruled by a series of military dictators.

Nigeria is a country of many contradictions. It is a country of many contradictions. It is a country of many contradictions. It is a country of many contradictions. It is a country of many contradictions. It is a country of many contradictions. It is a country of many contradictions. It is a country of many contradictions. It is a country of many contradictions. It is a country of many contradictions.

Talbot Plant Closing After More Clashes

55 Injured in Violence Among Auto Workers

Compiled by Our Staff From Dispatches

PARIS — Officials at Peugeot's Talbot car plant, shut since Dec. 9 by a walkout over job cuts, abandoned attempts Thursday to restart production and announced they were shutting the factory after 55 persons were injured in renewed violence among workers.

About 1,500 riot police were called in to the Peugeot plant west of Paris following clashes between a few hundred strikers and a majority of the 17,000 employees, who want to resume work. For the second consecutive day, the two sides hurled car parts and bolts at each other. Eleven persons were taken to hospitals for treatment, Talbot officials said.

The police, summoned both by the management and the Socialist-leaning Democratic French Labor Confederation, which supports the strike, formed a barrier between the strikers, who were barricaded inside an assembly workshop, and the non-striking massed outside.

Management has tried since Tuesday to restart production. But in a statement Thursday it said the factory could not be reopened unless those responsible for the violence were expelled. Peugeot said in a statement that until the strikers left the building, the danger to other workers was too great to allow the plant to operate. It said the plant would be shut beginning Friday.

Peugeot made its Talbot subsidiary legally independent Thursday, clearing the way for a possible liquidation of the division, although Peugeot says it wants to keep it in production. The action, predicted last week, was announced at a meeting with unions. The plan involves transferring the parent company's shares in the subsidiary to two dormant companies, Talbot S.A. and Sora S.A.

Management said the trouble was caused by 100 to 200 "irresponsible agitators" who had either ceased to work or had never worked at the plant. "With the danger facing Peugeot factory personnel, the management has decided not to call the personnel to work from Jan. 6 and to stop paying them from that date," it said.

The dispute broke out when the parent company announced it wanted to cut 1,500 jobs at Peugeot as part of an overall plan to trim 7,500 in Peugeot-Talbot.

(Reuters, AP)



ELGIN MARBLES — Neil Kinnock, leader of Britain's Labor Party, met Melina Mercouri, Greece's minister of culture, in Athens Thursday to support her demand for the return of the Parthenon sculptures taken to Britain in the early 19th century by the British diplomat Lord Elgin. He said he would return them if he were prime minister.

Lambsdorff Says Court Will Clear His Name

United Press International

DUSSELDORF — Economics Minister Otto Lambsdorff, who faces corruption charges in a tax break and bribery scandal, said Thursday he expects to be cleared in any court case arising from the allegations.

In an interview published in the Düsseldorf-based financial newspaper, Handelsblatt, Mr. Lambsdorff said the charges that he took money to ease tax breaks for the giant Flick industrial holding company were "unfounded."

"I am innocent. I will surely be cleared if it comes to court proceedings," Mr. Lambsdorff told the paper.

Mr. Lambsdorff, who is under opposition pressure to resign because of the charges, said it would have been unthinkable two years ago for a cabinet minister to remain in office while accused of the charges but that public attitudes were now different.

Last month, the Bonn public prosecutor filed two charges that Mr. Lambsdorff, 56, took 135,000 Deutsche marks (about \$50,000) for his Free Democratic Party from Flick, West Germany's biggest private holding company, to help arrange the capital gains tax breaks on the company's sale of a 29-percent interest in the Daimler-Benz auto company.

Mr. Lambsdorff told Handelsblatt he had received more than 800 letters from members of the public supporting his position and only 10 calling for him to step down.

On Dec. 28, the Economics Ministry announced that the 400-million-mark tax concessions granted in 1976 to Flick after the sale were being revoked and that Flick would have to repay the cash. The company says it is appealing the decision.

The ministry said a re-examination of the breaks had determined that Flick's reinvestment of the profits from the share sale in W.R. Grace & Co., a U.S.-based chemical and natural resources company, had not resulted in the expected advantages to the West German economy through technology transfers.

The expected technology spin-off was the original justification for the company in its application for the tax concessions and the ministry's grounds for granting them.

A Bonn court is currently considering whether to indict Mr. Lambsdorff on the charges and bring him to trial.

Glomp Meets Polish Leader On Prisoners

Government Said to Seek Less Criticism by Priests

Compiled by Our Staff From Dispatches

WARSAW — Cardinal Jozef Glomp, Poland's Roman Catholic primate, met Prime Minister Wojciech Jaruzelski on Thursday to discuss church-state differences and the possible release of political prisoners.

The talks were their first since Pope John Paul II visited Poland in June. Informed sources said the two men covered a range of issues on which the church and the government are at odds.

Cardinal Glomp was expected to press General Jaruzelski to speed up the release of political prisoners and to abandon plans to try four members of the Workers' Defense Committee, a dissident group known by the acronym KOR, and seven former Solidarity union officials. The 11 are accused of conspiring against the state.

Informed sources said the government was eager to persuade Cardinal Glomp to curb public criticism of Communist rule by priests who support Solidarity, which has been banned.

Church intervention secured the release of 22 political prisoners last month when Archbishop Bronislaw Dabrowski disclosed that efforts were also being made on behalf of the KOR and Solidarity defendants.

Political sources said the authorities would welcome an opportunity to avoid going ahead with their trial, which would provoke the hostility of the church and the West.

Western countries said that convicting the 11 would compromise prospects for the lifting of U.S.-led sanctions imposed on Poland in retaliation for martial law.

General Jaruzelski has offered to drop charges against the prisoners, who include former aides to the Solidarity leader, Lech Walesa, but only if they agree to leave Poland. The government has denied Western claims that the 11 are being mistreated in jail in an attempt to coerce them to accept exile.

The prisoners have rejected as insulting all attempts to persuade them to accept the regime's offer, according to members of their families.

No details of the Glomp-Jaruzelski talks were immediately available. Church and government spokesmen said a brief statement would be issued later.

(Reuters, UPI)



Günter Kiesling

Germany Retires General Assigned As NATO Deputy

United Press International

BONN — The West German Defense Ministry said Thursday that the deputy NATO commander, Lieutenant General Günter Kiesling, had been retired early.

A Defense Ministry spokesman in Bonn said General Kiesling — one of only three four-star generals in the West German Army — retired from military service without ceremony on Dec. 31. He said General Kiesling wanted to retire next April but his release was accelerated by West German Defense Minister Manfred Wörner.

The spokesman declined any comment on General Kiesling's dismissal. A North Atlantic Treaty Organization spokesman in Brussels and at the NATO operational headquarters in Mons, Belgium, also refused to give reasons for the retirement.

General Kiesling, 58, was appointed to the NATO post as one of two deputy commanders to General Bernard W. Rogers, the NATO supreme commander, in April 1982. His term of duty was to have run until 1985.

West German Jet Crashes

The Associated Press

AMSTERDAM — A West German Tornado jet fighter crashed Thursday in the Wadden Sea in the northern Netherlands, a Dutch Air Force spokesman said. The fate of the plane's two pilots was not known.

Experts Say Shake-Up in Bulgaria Has Economic, Not Political, Roots

By Jonathan Lynn

VIENNA — Bulgaria has introduced a new government and Communist Party team to guide its economy through hard times, Western diplomats and political analysts said Thursday.

But the reshuffle, announced Wednesday after sessions of parliament and the Communist Party Central Committee, has little political significance, although it strengthens further the hand of the country's president and Communist Party leader, Todor Zhivkov.

Bulgaria, one of Moscow's most loyal allies, is one of the poorest countries in Europe. It has shown impressive growth in recent years, apparently including 1983, but living standards remain among the lowest in the Soviet bloc and are not keeping pace with growth in production.

"It's the best economy in Eastern Europe, but it still has problems," one diplomat commented. "There was growth this year but less than they would have liked, and there were shortcomings in some sectors."

The political changes, merging four ministries into two, reshuffling government economic portfolios and appointing new members to the party's ruling Politburo, are aimed at improving economic management, but only time will show their effect, he said.

Another analyst was more skeptical. "It's all connected with economic inefficiency," he said. "The government changes are simply one device to try and show the people that they want to improve the economic mechanism, which is not functioning well."

Bulgaria's foreign debt is among the lowest in Eastern Europe. However, it has suffered from the world recession, with the cost of its raw materials, mostly Soviet imports, rising much faster than the prices it can get for its farm products.

Industrial production continued

Basque Bankers Linked to Attacks Against Guerrillas

Reuters

MADRID — Spanish police suspect that a death squad fighting Basque guerrillas in France is made up of professional killers hired by a small group of Basque bankers and businessmen, the daily El Pais said Thursday.

The paper quoted senior police officers as saying the Anti-Terrorist Liberation Groups, or GAL, may have "intelligence support in France, possibly from members of some special security force."

According to El Pais, the policemen said there was no institutional Spanish connivance with GAL, but they could not say whether some Spanish officers or former policemen were involved individually.

GAL has claimed responsibility for several attacks over the past month, including the murders of two guerrillas of the separatist group ETA (Basque Homeland and Liberty). Basque politicians have accused the Spanish government of involvement.

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considered capable of running the government.

Mr. Marcos has agreed, after first opposing the idea, to a constitutional amendment that will restore the office of vice president, but not until 1987.

Another amendment expected to be approved by the voters in the Jan. 27 plebiscite will narrow the constituencies of candidates for the National Assembly. Mr. Marcos has taken the lead, after some hesitancy, in moves to update voter registration lists, among other measures intended to make the parliamentary elections next May "clean and fair," an opposition slogan.

Meanwhile, there are indications that Mr. Marcos could be setting the stage for a long-anticipated crackdown on the opposition. On Dec. 21, he announced that a document captured from the outlawed Communist Party revealed a plot by businessmen and the Roman Catholic clergy to overthrow the government. What the documents actually said, according to military sources, was that Communists should steer clear of this "bourgeois-clergy" plot.

Marcos Has Eased Grip Since Aquino Murder

By Robert Trumbull

New York Times Service

MANILA — President Ferdinand E. Marcos, faced with widespread demands that he resign after the assassination in August of Benigno S. Aquino Jr., his main political challenger, seems prepared to remain head of government at least until his term expires in 1987, if his health permits.

Yet almost everywhere, one hears that the president is "no longer the same old Marcos" who ran the country with unchallenged authority for more than a decade.

The demands that Mr. Marcos resign after the assassination of Mr. Aquino on Aug. 21 have now subsided except in a few places, such as in the opposition groups led by Mr. Aquino's younger brother, Agapito. But so, too, have the assertions once heard even in some opposition circles that Mr. Marcos was "the only strong leader in sight."

This month, Filipinos will vote in a plebiscite on various amendments to Mr. Marcos's constitution that have been forced upon him in recent weeks under public pressure spawned by the assassination and the financial crisis that followed.

"Marcos has suffered an enormous loss of credibility since the Aquino murder," a Western diplomat said recently. "For months he has been the target of criticism in living rooms all over Manila, and only his wife, Imelda, and a handful of other close associates have been heard defending him."

The cutting edge of the criticism has been the business community. Pressure from Manila's business leaders, applied in full-page newspaper advertisements, got Mr. Marcos to make changes that the businessmen believed were necessary to restore the lost confidence of international investors in the country's stability.

But despite the criticism of Mr. Marcos over the past months, the president has a strong power base that could conceivably return him to office if there were a national election even now. Many peasants and urban workers have benefited from some Marcos policies, such as land redistribution.

Most of all, according to Arturo M. Tolentino, a prominent member of Mr. Marcos's ruling party in the National Assembly, Mr. Marcos is helped by the tendency of many Filipinos to make "father figures" of their leaders.

But others, including Cardinal Jaime L. Sin, the Roman Catholic leader and a strong critic of Mr. Marcos, have offered a different reason. For the cardinal, Filipinos cannot throw off overnight what he termed the numbing effect of the

U.S. Dismisses Tough Remarks From Gromyko

The Associated Press

WASHINGTON — The Reagan administration Thursday dismissed a harsh attack on the West by the Soviet foreign minister, Andrei A. Gromyko, and said the United States is ready to engage in "constructive dialogue" with Mr. Gromyko. He is to meet with Secretary of State George P. Shultz in Stockholm Jan. 18.

Mr. Gromyko set a cool tone Wednesday for the session when he repeated the Soviet position that Washington was trying to mislead Western opinion by suggesting the Russians might agree to renew suspended arms control talks.

"The tone and substance of the Soviet statement were unfortunate but not particularly new," said Alan Romberg, the State Department's deputy spokesman. "For our part, we have made clear that we are interested in pursuing a serious, businesslike and constructive dialogue with the Soviets on the full range of issues between our two countries," he said.

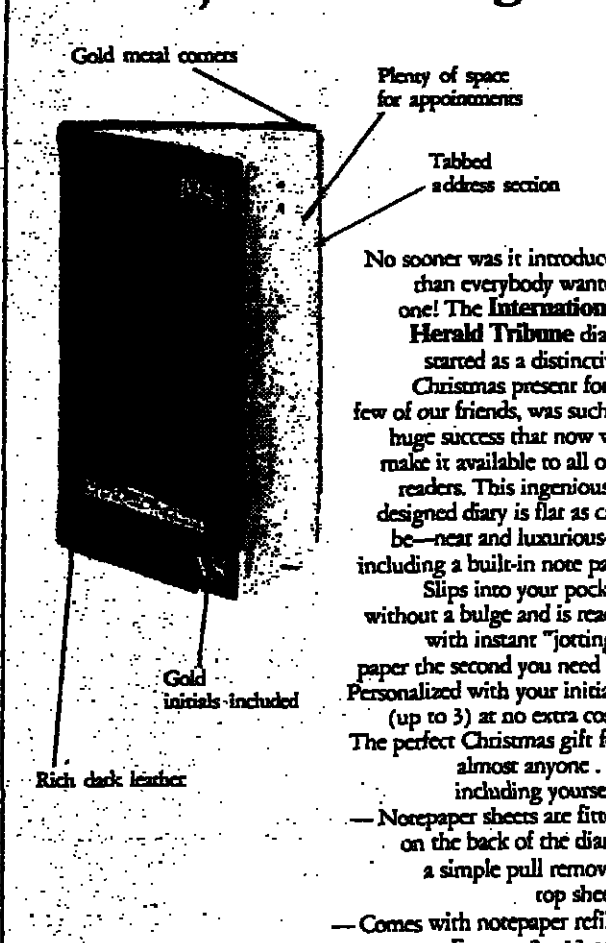
The conference in Stockholm will be the first between Mr. Gromyko and Mr. Shultz since the Russians broke off the Geneva talks on intermediate-range nuclear arms in November.



Ferdinand E. Marcos

Herald Tribune

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"1984" and 400% PROFITS

In 1982, while the Street was mesmerized by Granville, Kaufman, and other professional pessimists, our editors predicted... "THE DOWS WILL HIT 1,000 BEFORE TOUCHING 750". (At the time, the DJI's were hovering around 790.) Our optimism was considered heretical. Even BARRON'S financial pundits were timid, commenting on August 9, 1982 that the "market seems to be saying it's seen the future and it doesn't work." BARRON'S bearishness was shared by the N.Y. TIMES which stated on August 15, 1982 "the bottom has not been reached; the most steel-willed optimists may be about to throw in their towels".

Looking back can be as useless as having Picasso paint Easter eggs. The past is prologue - the epilogue has yet to be written. Despite the fact that the Dows have soared, elements on the Street hibernate in fear, predicting an Apocalypse and citing the dire future postulated by Orwell in his classic novel "1984". Millions have inhaled Orwell's bleak insights. His title, "1984", has become a hetrotyph conjuring up doomsday images, the common denominator being the suffocation of the Soul.

Granville, Kaufman and their cadres of believers share on phenomenon - all sniff the dark side of human nature. To mention them and Orwell in the same reference is sacrilegious! Still, their impact is a reality; a "reality" we rebuke.


Since January 1982 approximately 85% of equities recommended by F.P.S. have advanced. The model portfolio we structured in October 1982 has escalated 160%, outpacing major market indices. The revolution of "rising expectations" persists; it will catapult the DOWS above 2000.

Our current letter mocks myopic analysts, highlighting stocks that could vault (as have past favorites) 400% or more. Conversely, the report focuses upon bloated equities that could deflate as did APPLE COMPUTER, which we castigated as a "short" and a "lemon" when the darling of growth stock cultists was seducing investors at \$56. Today's quote? \$23.

This is still the time to buy - not to sigh. NIGHT-HAWK is now trading in London and is listed in the Financial Times under Oil. Accumulate special situations before they ignite the Crowd and "short" over-bought securities such as NATIONAL SEMI-CONDUCTOR.

The words of Emerson glow... "The sun shines, there are new lands, new men, new thoughts. Let us demand our own works."

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12 Month High/Low Stock	DIV. YLD. PE	Stk Price High/Low	Close	Chg.	Vol.
AAR	1.2%	10.0	10.0	+0.1	100
AAV	1.5%	12.0	12.0	+0.2	150
ABC	1.8%	15.0	15.0	+0.3	200

"1984" and 400% PROFITS

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12 Month High/Low Stock	DIV. YLD. PE	Stk Price High/Low	Close	Chg.	Vol.
BAC	1.1%	9.0	9.0	-0.1	80
BEL	1.4%	11.0	11.0	+0.1	120
BID	1.7%	14.0	14.0	+0.2	180

... (Continued on Page 10)

12 Month High/Low Stock	DIV. YLD. PE	Stk Price High/Low	Close	Chg.	Vol.
CAT	1.3%	13.0	13.0	+0.1	160
CHA	1.6%	16.0	16.0	+0.2	210
CIB	1.9%	19.0	19.0	+0.3	260

... (Continued on Page 10)

12 Month High/Low Stock	DIV. YLD. PE	Stk Price High/Low	Close	Chg.	Vol.
DIS	1.0%	8.0	8.0	-0.1	70
DIV	1.3%	11.0	11.0	+0.1	110
DOL	1.6%	14.0	14.0	+0.2	150

... (Continued on Page 10)

12 Month High/Low Stock	DIV. YLD. PE	Stk Price High/Low	Close	Chg.	Vol.
EAT	1.2%	12.0	12.0	+0.1	140
ECH	1.5%	15.0	15.0	+0.2	190
ECL	1.8%	18.0	18.0	+0.3	240

... (Continued on Page 10)

12 Month High/Low Stock	DIV. YLD. PE	Stk Price High/Low	Close	Chg.	Vol.
FAT	1.1%	9.0	9.0	-0.1	90
FBI	1.4%	11.0	11.0	+0.1	130
FBO	1.7%	14.0	14.0	+0.2	170

... (Continued on Page 10)

12 Month High/Low Stock	DIV. YLD. PE	Stk Price High/Low	Close	Chg.	Vol.
GAT	1.3%	13.0	13.0	+0.1	160
GCH	1.6%	16.0	16.0	+0.2	210
GCI	1.9%	19.0	19.0	+0.3	260

... (Continued on Page 10)

12 Month High/Low Stock	DIV. YLD. PE	Stk Price High/Low	Close	Chg.	Vol.
HAT	1.0%	8.0	8.0	-0.1	80
HBI	1.3%	11.0	11.0	+0.1	120
HBO	1.6%	14.0	14.0	+0.2	160

... (Continued on Page 10)

12 Month High/Low Stock	DIV. YLD. PE	Stk Price High/Low	Close	Chg.	Vol.
IAT	1.2%	12.0	12.0	+0.1	140
ICH	1.5%	15.0	15.0	+0.2	190
ICL	1.8%	18.0	18.0	+0.3	240

... (Continued on Page 10)

12 Month High/Low Stock

[illegible]

Paris, a
by John Russe

[illegible]

JANUARY 6, 1984

Page 7

I, Ralph — and Leonardo

by Joseph Fitchett

MADSTONE, England — What kind of megalomaniacal illustrator would compare himself to Leonardo da Vinci? Well, for one, a cartoonist.

Already he is celebrated in the United States as the alter ego of the Rolling Stone writer Hunter S. Thompson, his sometime partner in combat journalism whose manic reportage has been savagely illustrated by Steadman's drawings — usually a slashing line, a black blot and a frightening sense of red. In Europe, Steadman, 47, looks behind a different reputation as a political cartoonist — some say the most mordant of his generation. Now he is gaining international recognition for his own illustrated books.

"I, Leonardo," just published by Jonathan Cape at £9.95, is an imaginary autobiography — Leonardo filtered through Steadman (and vice versa) — reinterpreting in droll antiquarian language and violent drawings the philosophy, personality and art of the supreme Renaissance man. Steadman mixes historical fact with a few deliberate mistakes ("to annoy academics," he says, managing to sound warm even at his harshest). The color drawings evoke the brutality and strength that coexist in Renaissance painting and power politics — and they also dramatize the lonely dread of the artist at the feast.

The original drawings for the book, on show this week at the Royal Festival Hall in London, make visitors giggle aloud when they work out a sophisticated visual gag, then catch their breath at a harrowing detail. The show will tour Britain before the best drawings are incorporated into Steadman's first major retrospective, planned for Milan, London and Paris this year.

To get inside Leonardo's skin, Steadman spent two years on a painstaking reconstruction of "The Last Supper" on his bedroom wall. A third the original's size and faithful to the point of using egg white to bind the pigments, the bedroom mural has the photograph-

ic immediacy that Leonardo's work must have had for contemporary audiences.

"The painting is a snapshot. Christ has just said, 'One of you will betray me,' and you can see each person's reaction in his hands, including Judas clutching his purse of 30 coins," Steadman says. After working on the project three years, Steadman knows his way around the painting: some expressive gestures he painted intuitively two years ago are only now re-emerging clearly in the original as restorers in Milan retrieve Leonardo's original from centuries of decay and overzealous retouchers.

Steadman is ambivalent about his achievement. "Ever since I started drawing cartoons 20 years ago in newspapers, I've been wanting to do something permanent, something that wouldn't end up as fishwrap."

But he cultivates irreverence. Cloning in front of the painting while having tea, he contrives a pose for a trick self-portrait-with-painting, a photograph that he delightedly dubs "The Last Cuppa."

He calls his title, "I, Leonardo," an "unforgivable presumption worthy of public horse-whipping." Such deliberately stilted rhetoric is vintage Steadman style, a way of using archly old-fashioned manners to keep at bay both the rage that leaps out of his drawings and the impulsiveness that drives him into his adventures with Thompson, on drugs and in the streets, from Las Vegas to, most recently, Hawaii.

The son of a Welsh miner's daughter and a traveling salesman, Steadman was marked in childhood by his hatred of a sadistic headmaster. As a form of escapism, Steadman started drawing and obsessively making model airplanes. At 17 he became an apprentice draftsman in an aircraft factory, then swept downstore floors, failed to become an air force pilot and wound up at an advertising agency. A correspondence course in art encouraged him to try his hand as a cartoonist in London.

Today, as his career acquires new dimensions and new inventions bubble forth, he cultivates a split in his lifestyle — making forays into the cities to skewer the successful and the smug on both sides of the Atlantic, yet living in the English countryside, surrounded by sheep and family in his house near Maidenstone.

Old Loose Court is a gloomy manor house, modern conveniences on Tudor foundations. His wife, Anna, runs a nursery school on the grounds and Steadman works in a deliriously cluttered ground-floor studio or potter's outside with plants and flying machines (including a copy of Leonardo's that Steadman calls "a beautiful Renaissance bat"). The garbled trees look as though they might have been designed by Steadman, who loves his garden. (He is listed as "gardening correspondent" on the Rolling Stone masthead because he once told the editors that, being good with his hands, he would have been a gardener if the correspondence course — "You, too, can be an artist!" — had not enabled him to make a living with his pen.)

The bold impersonation of Leonardo, like so many of Steadman's satirical devices, means to jolt people into looking at familiar idols with fresh eyes. ("People have become so jaded with television that they don't really look at anything, or rather see anything, any more.")

Leonardo, Steadman says, is "someone we think of as too remote, too like a god, to be dealt with." In fact, the Italian artist was so compulsive about experimenting that his patrons sometimes died before he could finish a commission. He was "a bloke paralyzed with doubt, haunted by darkness, tantalized by half-glimpsed possibilities." Leonardo's notebooks, containing his glimmerings, were scattered after his death for 400 years; when he was rediscovered, his dreams — including flying machines — had already materialized.

The fascination with Leonardo stems from an earlier Steadman book about another visionary, Sigmund Freud, whom Steadman regards as a kindred spirit because of his lifelong fascination with jokes. A biography of elaborate visual jokes, it was a critical success — Steadman was voted Illustrator of the Year by the American Institute of Graphic Arts four years ago — but it quickly went out of print. ("I'm badly published. Companies issue my work then go bankrupt, leaving me nothing, not even copies of the book, only lawyers' fees. Hunter is right: Lawyers are the criminal class.")

It was Freud who called Leonardo "a man who woke up in the dark." Steadman sees Leonardo as the great precursor, awake in a sleeping world and surrounded by bigotry and ignorance — "a man who had telephone numbers, but no telephone." He had the intuitive power, he says, to capture human nature as it really is, cutting through the Renaissance's pretentious tendency to idealize, yet his painterly gifts rendered these bleak insights with supreme beauty, setting artistic standards for all time.

Leonardo's great rival, Michelangelo, arouses only scorn in Steadman. "A hustler, the Renaissance's company man, compulsively doing his thing, producing larger-than-life, musclebound faggots to satisfy his patrons' sense of ostentation as power," Leonardo, in contrast, "is the Renaissance, with its doubts, its illuminating possibilities, its such numerous insights, such unrelenting tinkering, that much of the work can never get finished. Yet he has such quiet self-confidence, following his own road, that it drives his rivals crazy," he says.

In other words, Leonardo incarnates the modernism, the versatility and the sense of art as quest, that is emerging in Steadman's own work.

Steadman offers a parable of the artist in a turbulent, materialistic era. He also possesses another trait that clearly fascinates Steadman: the repressed genius who is morbidly sensitive about his own sensuality. Pungent drawings allude to Leonardo's alleged homosexuality, brothel scenes are drawn with Swiftian revision for the human body. And in his book he lets Leonardo fly, soaring over Florence like a bat in his flying machine. "I wanted him to achieve his dream."



A Steadman view of the experimenting Leonardo, done too late for the book.

Another thing Steadman admires in Leonardo is his belief in improvisation. "The great finds happen," he says, "when you aren't expecting anything, planning something or consciously looking for it." Tying with a cast-off drawing from the book that shows a visibly but inexplicably excited Leonardo, Steadman starts to sketch, blackening Leonardo's fingers and grandly ignoring an ink blot.

Looking for a way to occupy those mobile hands, Steadman shakes his head while the pen hovers, waiting, then slashes down a yo-yo ("Leonardo would have liked that, yes, but"). Suddenly, Steadman draws another yo-yo, this one flying upward, yes, winged of course. "That's the one that got away from the book," Steadman abruptly decides. "You'd better publish it so that it is at least copyrighted."

The economy, the element of chance in all of it, seem to please and somehow reassure him. You're only as good as your last mark, he says.

Such daily inspiration is essential for Steadman on the rising tide of his success. U.S. and European promotional tours for "Leonardo" (including a TV film about the three-year project) overlap with the just-released and best-selling book "The Curse of Lono," the hysterical Steadman-Thompson rampage through Hawaii. He is also doing the storyboard for an animated film about George Orwell's "Animal Farm," planning a TV film about face-painting (a new Steadman medium, discovered during a party at his wife's nursery school) — and writing a musical about Leonardo (he wants Rod Stewart to play the title role. He still finds time for the excruciating drawings for charitable appeals that unsettle readers of London dailies at the holiday season).

The acclaim is a new peak for Steadman ("For the first time, I'm turning things down"). Although his scathing line drawings have been appearing in Britain for 20 years, people still confuse him with Ronald Searle or even Gerald Scarfe — a source of irritation to Steadman's fans.

"Ralph's work has so much more scope in

technique, variety and imaginative ambition," says Bernard Stone, a London bookseller and artist publisher who wrote some of the children's stories Steadman illustrated.

It was at Stone's bookshop, Turret Books, that Steadman in the 1960s first encountered many of the British poets who, then as today, use the shop as a lending library. Many are published by Stone — often illustrated by Steadman. Together, Stone and Steadman own the Steam Press, which prints some of Steadman's more ambitious works. Their range reflects his sympathy with minorities and growing fascination with baroque art forms: illustrations for a book by the rogue Irish writer Brian O'Flann, a book on Israel with the novelist Alan Sillitoe, a Gothic tale with the poet Ted Hughes, illustrations of Lewis Carroll's work.

It all started in 1959, he recalls, "when I was flogging cartoons in Fleet Street, and everybody was saying, 'You'll have to tone this down.'" Finally, Private Eye took on this scurrilous social critic, at £5 for the first cartoon.

A turning point came when a short-lived British literary magazine, Scanlan's, teamed him with Hunter Thompson for a story on the Kentucky Derby. Instead of covering the race, they reported on their own drunken adventures. Gonzo journalism was born and went on to prove itself in the "Fear and Loathing" books by the pair on Las Vegas and the 1972 presidential campaign trail and now Hawaii.

Those fast-living American years separate the Steadman of his old London haunts and Steadman today, father of five children and master of Old Loose Court. Looking very American in his running shoes, very mid-Atlantic in his neat, comfortable clothes and untraceable soft-toned accent, and very thoughtful with his prematurely white hair, he is fascinated and repelled by the violence and exuberance of American street life.

"I've crossed the Atlantic, several million people over there know me," he says. Yet much of his best work is not popular with American

audiences. Most of his children's books are not published in the United States, apparently because publishers find them irreverent about such serious subjects as astronauts.

Bonded by this ferocity (and some bad drug experiences that have recovered Steadman to booze), his friendship with Thompson remains deep — and sometimes difficult even for the subtle Steadman to manage. ("The last time he was here, he and my wife had to communicate by passing notes under the doors.") While loyally admiring Thompson's capacity for extremes, Steadman has a knack for keeping the pair's equilibrium on the road together: "The more macho Hunter gets, showing he can out-dare and outdo anyone with drugs and drink, the more British I become: difficult, unforgiving, miserable."

His adventures with Thompson seem to be giving way to his involvement with masters of the past. His musings about Leonardo metamorphose him into a modern artist, a man who might write an imaginary autobiography entitled "I, Steadman."

Like Steadman, Leonardo was too busy to seek perfection. People, Steadman says earnestly, "spend too much time touching it up, making it perfect. That's the death of art," he says. "Most illustrators fuss about making sure the pages are filled up neatly, but I'm just making marks, magical marks that may lead somewhere, lead me where they will," he says.

One of his favorite memories is a late-night Paris appearance by the jazz singer Nina Simone. "She was bloody awful, but it didn't matter. You could see she was thinking, 'I feel bloody awful, but that's me tonight, that's my body.' Impact, that kind of impact matters, not some brilliant technical, letter-perfect performance, no, that's her spirit, that's art," he says.

The secret of Steadman's Renaissance man? Probably.

But don't tell Leonardo.



Steadman stretched out under his 'Last Supper.'

Paris, at Home With the Seine

by John Russell

PARIS — It is not easy for a city to come to terms with its river. Moving water is a symbol of impermanence, and as such unwelcome to the city fathers. Rivers have bad habits, too; they overflow, on the one hand, and on the other they dry up at inconvenient moments. Architecture, speaking, they set difficult problems; few buildings look their best across a ditch up to a hundred yards wide.

Socially, too, a river may soon become unmanageable; the water's edge lends itself too well to low amusement. Trade drives away the private resident, as in the City of London; and it is a mistake, as in Budapest, to have too sharp a class division between one bank and another. Small wonder that the Liffey in Dublin is half causeway, half gutter, that Vienna keeps the Danube in its backyard, and that in Berlin the Spree is kept as nearly as possible out of sight.

Paris is the only city in which a great river has been used for miles after miles, on right bank and left, as the natural center of a work of art. Between the Pont d'Austerlitz in the east and the Pont d'Iéna in the west it was difficult until quite lately to stand on either bank and point to anything ignoble. It is not simply that Paris has "got everything." In this long semicircular reach, but that it has got the right amount of everything. Parks are all very well, for instance, but in a venture of this magnitude they must know their place; and this the Cours-la-Reine and the Jardin des Tuileries unquestionably do.

It is good for a waterfront to have centers of administration somewhere along it, but Authority, too, must know its place, and in Paris neither the Affaires Etrangères nor the Chancery des Députés nor the Préfecture de Police nor even the Palais de Justice is objectionably out of scale with its neighbors. And it is clear from paintings by Van der Meulen, Bouhot, Noel, Canella and Girin that good manners have always prevailed beside the Seine. It has, for instance, one of the world's great palaces — the Louvre; but the Louvre does not dominate the houses opposite it. It has a cathedral, Notre-Dame; but Notre-Dame likewise is not at all dominating.

There is enough of a harbor along its central five miles for there to be a continual commotion of yachts and barges and tugboats; but the real harbor is far enough distant for all these to

seem merely ornamental. It is hard to find an ugly bridge in Paris. A waterfront without shops is dull, in the end; and the Paris waterfront has not only its bookshops — now much diminished, alas! in quality — but also a bird and animal market, antique shops of the first order, two music shops and a department store named after the Woman of Samaria.

Its hotels are few, but august; in one André Breton lived, in another Baudelaire, Rilke, Walter Sickert and Wagner. Restaurants of many kinds may also be found by the Seine. Not all of them, be it noted, in the same area: Variety plays its part. It is one thing to sit outside behind a fence of evergreens on the Quai de Montebello and quite another to battle for a seat among the international civil servants on the Avenue de New-York or the Quai d'Orsay. There are also, one must own, a number of delectable dubs: "Recent recommendations only" should be our motto when hunger strikes on the quays.

So much for the elements of the scene. We should add, perhaps, the note of frenzy that has been struck these last few years by ever faster and more voluminous traffic along the banks of the Seine. Nor should the Eiffel Tower be left out; and of course I have left to the last the classic Parisian variant of the metropolitan river scene, the point so marvelously taken by the creators of Paris ever since Fouquet embellished Etienne Chevalier's "Livre d'Heures": the two islands, la Cité and Saint-Louis. Of these, the Ile de la Cité has been handled at its western end with all possible assurance; there is nothing finicky about the Pont-Neuf, the narrow entrance to the Place Dauphine, the Square du Vert-Galant, the trees at one level and another and the relation between these nearer elements and the towers and domes beyond. The island moves into view like a ship, certainly, but a ship with a strong beak to it. The Ile Saint-Louis is, by contrast, a pleasure cruiser; slimmer, more delicately built and boned, untouched by great affairs or the rough traffic of the law and marked along the whole length of its inner street by a certain slumberous distinction.

Stone and water do not come into, or go out of, fashion; the quays have, for almost the whole of their length, a timeless nobility. Their special characteristics were decided a very long time ago, and nothing has happened to change them. In this they differ from certain other Parisian sights that have changed subtly in character, while remaining physically much the

same. The Avenue des Champs-Élysées, for instance, is in outline much as it was 20 years ago; but now it is becoming more and more the preserve of the airline and automobile industries, and it is not much fun to sit out on the great avenue. Nothing like this will happen to the quays. It is, in any case, not easy to sit out on them, unless you squat on the bare stones. For the *filles*, on the other hand, they are ideal, and it is at a stroller's pace that they are best seen in detail. For a first rapid swoop a taxi or, better, an open car of ancient design — will do very well. The view from a bus also may be recommended, though you will need a virtuoso's command of the route map; and perfectionists claim that there is nothing so good as sailing one's own boat up river from Le Havre.

As one whose first sight of the quays was obtained from the afterdeck of a *bateau-mouche*, I can testify to the intense pleasure that was given by these amiable veterans. Sixty-tonners they were, with a length of just over a hundred feet (about 30 meters) and a best speed of eight or nine knots. When abolished in 1934, they were working a round trip from Suresnes to Maisons-Alfort; for just a few pennies, you could embark on the far side of the Bois de Boulogne, skirt the Parc de Saint-Cloud and the laundries and factories of Boulogne-Billancourt, and enter Paris itself near the Porte de Saint-Cloud. Eventually, after traversing the whole of the city, the sturdy craft would push out into more or less open country and put down its passengers at Maisons-Alfort, having kept to the mainstream at the junction of Seine and Marne. The service ran from 6 till 9 in the morning, lay up during the forenoon, and resumed after an early luncheon till nightfall.

The *bateau-mouches* have to a limited extent come back into service, but with the difference that they are now tourist boats pure and simple and make merely a fixed nonstop circuit. Their customers are nearly all foreign visitors, and although the run has still its unique beauties it no longer offers an introduction at close quarters to Parisian and Parisienne. Nor does it take us around the great loop of the Seine that bears within it the Bois de Boulogne. The boats are spruce, certainly, but in the cicada cluck of cameras and the bellowing of the guide there is no trace of the atmosphere (how Maupassant would have portrayed it) that dated originally from the Exposition Universelle of 1867.

So there is still only one way of getting to

know the river and the islands — on foot. A word of warning, in this context: The distances are greater than they seem. The Eiffel Tower, for instance, throws everything out of scale. Things look near, but are not; and because the river "composes" well at almost any point it is not easy to bear in mind that it does not by any means pursue a straight course. Léon-Paul Fargue claimed in his "Piéton de Paris" to have walked "a hundred times" along the Seine from Charenton-le-Pont to the limits of Auteuil; but I notice that when he counts up the names of his favorite quays they all lie within that small central section that contains, as it were, the quintessence of Paris. "As far as History and Geography are concerned, the names of Orsay, Méséglise, Voltaire, Malaquais, Gesvres, aux Fleurs, Conti, Grands-Augustins, Hortoge, Orfèvres, Bérthune and Place Mazas are quite enough for me."

On a fine Sunday, this stretch of the Seine is used as Venetians use the Piazza San Marco: as a general rendezvous and place of gentle recreation. Plane trees and old stone go well together; fishing of a kind can be had below; and on the ancient parapets the zinc-topped boxes lie open and the *bouquinistes* await your pleasure. These boxes may be found from the Quai d'Orsay to the Pont de la Tourneelle on the left bank, and from the Samaritaine to beyond the Place du Châtelet on the right bank. The normal frontage is of eight yards, and in principle the tenants are mutilated ex-servicemen or fathers of large families; but these regulations, like much else in Paris, are subject to violation. Any experienced bookman will soon discern the special flavor that attaches to each frontage. He will learn, for instance, to look for music on the Quai des Grands-Augustins, postcards and English pornography not far from the Hôtel de Ville, coins and the surrealsists just below the Pont-Neuf and so on.

The quays have lost much of their character in recent years. Many *bouquinistes* have given in to the mass market and now offer only prints, maps and trumpery reproductions. But the ancient fascination still holds, even if we can no longer hope to see what Fargue saw: Maurice Barrès, Edmond Rostand, Jean-Paul Forain, Paul Bourget and Anatole France bent over the book boxes, and beside these august persons a number of others — "elderly Parisians of no particular importance, dressed to the nines; gray trousers and spats, mustaches carefully combed, impeccable top hat, walking stick under the arm, imposing collar and con-



Bateau-mouche on the Seine near the Ile de la Cité.

spicious necktie, smile and buttonhole always in place. . . . They were well-cared-for old gentlemen; each had his private income; and while waiting to go off to their *rendezvous galants* they would hover in a trance of pleasure above astronomical maps, and postage stamps, and erotic prints, and first editions."

Other cities have bookshelves, of course, but the point about their Parisian counterparts is that they ply their trade in surroundings of extreme beauty. They render, what is more, a public service in preserving an asylum of idleness in the very middle of the restless city.

Elsewhere it requires real strength of will to stand motionless on the pavement against a stream of irritable Parisians; but here, if your eye is caught by the Institut de France, or you notice in the Hôtel de la Monnaie the beginnings of the style Louis XV, you may ponder these matters for as long as you like; nobody will think it odd. The automobile is here an intruder, and you will not be alone in wishing to put it in its place. On the banks of the Seine the walker is at home — and the idler even more so.

TRAVEL

The Gradual Opening of Tibet

by Michael Parks

LHASA, Tibet — For centuries the Himalayan mountain kingdom of Tibet was the "Forbidden Land," that became in the imagination of Western explorers not just the "Roof of the World" but also a Shangri-La of unspoiled nature and a strategic focus in the British, Russian and Chinese rivalry over Central Asia.

Closed to foreigners out of fear that they would threaten its way of life, Tibet became almost a legend, one of those faraway places that drew European adventurers eager to breach the last frontiers.

"The rugged grandeur of the scene, the awful solitude and the trials and dangers of the way itself naturally suggested to an imaginative and simple people that they had at length rediscovered the golden land," a British author wrote, describing the Victorian view of Tibet as much as that of the Indians about whom he was writing.

Many Asians believed that somewhere between China and India, deep in Tibet, there was a sacred mountain, an Asian Olympus of cosmic proportions. "The savior of the earth, the axis of the universe," some called it. From this mountain the four great rivers of Asia flowed, according to these ancient beliefs, and indeed life itself had begun there. Although this was dismissed as Oriental mysticism, the geographical mystery of the high Himalayas, a vast white space on most 19th-century maps, did capture the imagination of the West, for which Central Asia was one of the last large unexplored areas.

Expedition after expedition — British, Russian, Swedish, Japanese, among them the most famous explorers of Central Asia — tried to reach the sacred city of Lhasa, the seat of the Dalai Lama, Tibet's priestly king, who was revered as the reincarnation of the Buddha of Mercy.

For more than a century all were turned back, although the Jesuits managed early in the 17th century to establish small Catholic missions here. The bitter winter cold, arid deserts and snowbound mountain passes defeated most. Those who survived them were turned back by Tibetan soldiers whose officers knew their own lives would be forfeit if the foreigners were allowed to advance.

Only in 1904 did British troops succeed in reaching Lhasa, an achievement ranked at the time with the discovery of the Northwest Passage across North America and the expedition that finally reached Timbuktu in West Africa.

"Today is probably the first time in world history that the dateline Lhasa has been prefixed to a news dispatch," a correspondent for the London Daily Mail wrote. "The Potala [the Dalai Lama's cliffside palace monastery] surpassed the greatest expectations. The golden domes shone in the sun like tongues of fire, and they must strike with awe and veneration the hearts of pilgrims from barren tablelands."

The Potala's domes and those of Jokhang cathedral, the holiest of Tibetan Buddhism's shrines, still have the same impact, and even the most blasé traveler must count Tibet as one of the world's great destinations.

The region is gradually being opened to foreigners. About 1,800 tourists, three-quarters of them Americans, Japanese and West Europeans on package tours, are expected here this year — more than four times the number in 1980, when Tibet was opened to tour groups.

"Hello, hello," children shout to strangers from the middle of barley fields 100 miles (160 kilometers) from Lhasa, far from normal tourist routes. They gather quickly to ask for ballpoint pens, plastic film canisters and other odds and ends and pose with little self-consciousness for the tourists' cameras — expecting an instant Polaroid print.

As frequently, however, their greeting is "Bye-bye" or "O.K., O.K." How they have learned these few words of English so far from Lhasa, when they do not even know the Chinese equivalents, is a mystery.

In Lhasa, on the octagonal street running around the Jokhang

cathedral, pilgrims in long dark robes, their hair in braids — whether men or women — wearing beads and silver daggers, approach tourists with old jewelry, religious artifacts, an occasional rug or just a piece of Tibetan clothing, and begin to bargain. Clearly, the word has spread to the farthest reaches of Tibet that there are foreigners with money in Lhasa, and many pilgrims finance their trips by selling jewelry and other goods.

"For a people who were supposed to have never seen foreigners and to want no contact with them, they have certainly learned how to deal with us rather quickly," a Minnesota dentist said as he dickered over a heavy silver bracelet he eventually bought for \$40. But to most visitors, Tibetans seem to have retained much of the innocence that led Victorian travelers to describe them as the "noble savage" idealized by Rousseau. "The 'Gimme, gimme' you find everywhere else in the world today just isn't here," the dentist said. "Even this bargaining is mostly a game, not an attempt to get money out of us."

Tibet offers an unparalleled experience: the centuries-old monasteries (those that survived the Cultural Revolution), pilgrims prostrating themselves at Jokhang cathedral, villages that seem untouched by time, an economy that did not see a wheel until this century and that remains among the world's most primitive.

The 2½-hour flight into Lhasa from Chengdu, capital of China's neighboring Sichuan province, is itself a high point. The old Soviet-built turboprop picks its way through the Himalayas, a vast wilderness of snow-capped peaks and rugged brown valleys where white glaciers turn into blue rivers.

The sounds of Tibet are those of haggling in the bazaars and monks chanting ancient Buddhist scriptures in the temples. The pervasive smell is of rancid yak butter, an ingredient in most Tibetan foods, including tea, as a body ointment and as fuel for votive lamps.

Travel is still very difficult. Roads are largely gravel and their holes outside Lhasa are rustic way stations; those in the capital, with their iron coats, are not much more. Virtually all food for foreigners has to be airlifted into Lhasa (some visitors try but few like the Tibetan staple, *tsampa*, made of barley and yak butter) and everything else comes 1,000 miles up an unpaved mountain road.

The biggest problem most travelers have is the altitude. Lhasa is at 12,000 feet (about 3,650 meters), and some historic sites outside the capital are at 14,000 feet and more. The dreamy lightheadedness one experiences on getting off the plane can quickly turn into severe headaches, nausea and exhaustion, dubbed "Lhasitude" by some tourists.

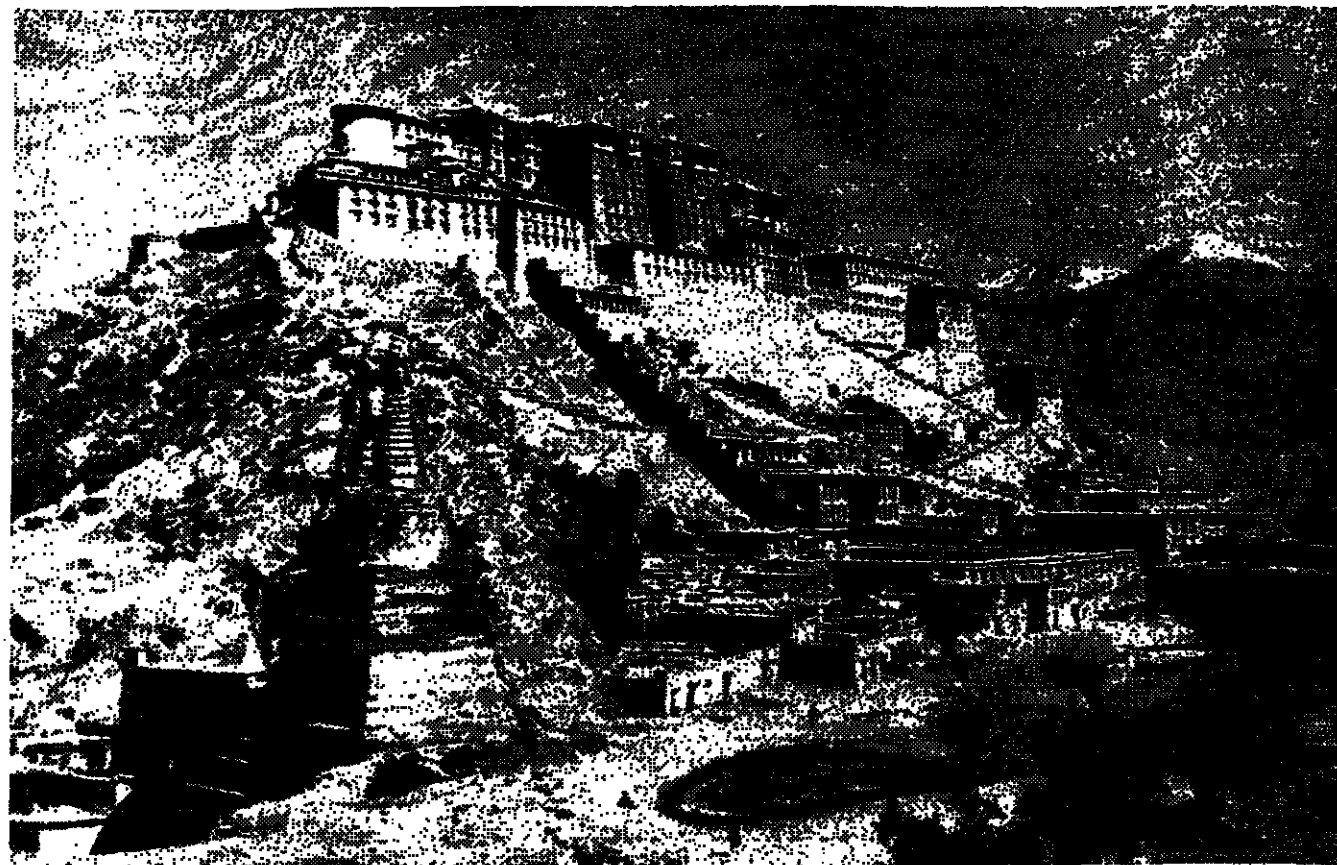
Chinese authorities used to insist on a thorough medical examination, including electrocardiograms and chest X-rays, for all visitors, and they still advise those with high blood pressure and heart conditions not to make the trip.

"Don't shout, don't laugh, don't run," guides advise, taking big, pillow-shaped canvas bags of oxygen to those in distress.

All this attention costs money. The China International Travel Service charges tourists coming from Beijing the equivalent of \$90 to \$120 a day for lodging, meals, transportation and guides; elsewhere in China the same services would cost perhaps a third as much. The round-trip air fare from Beijing is \$545.

Most American tourists, however, come with groups organized by Lindblad Travel. Lindblad typically charges \$4,450 for a 20-day trip, which includes visits to Beijing, Hong Kong and Tokyo besides the week in Tibet. Air fares within Asia are included in the cost, but not those from and to the United States.

And there are photography fees — \$10 to \$75 to take pictures inside the Potala, Jokhang cathedral and other monasteries. A camera buff who shot 43 rolls of color film in his five-day trip here last month calculated he had spent \$350 in photo fees.



The Potala in Lhasa, formerly the residence of the Dalai Lama.

But there are students who do it on the cheap. They take the bus from Chengdu or hitchhike on truck convoys — long, dusty journeys of 10 days to two weeks — and then sleep for \$3 a night in one of the hostels here, eating for even less in workers' canteens.

"We get a dozen or so of your hippies every week in the summer," an official of the Chengdu office of the China International Travel Service complained. "Those we find, we send away, but some are very persistent, very resourceful and a little tricky, and get past the police checkpoints on the road to Lhasa."

Chinese authorities, who are sensitive to criticism about their administration of Tibet since 1950, try to insure that foreigners do not get a bad impression of Communist rule here by putting most places off limits to visitors. Even Tibet's second city, Xigaze, is closed most of the time.

Before a visit this fall of Beijing-based correspondents, the police rounded up 400 to 500 beggars in Lhasa and trucked them out of town. Police at the Lhasa airport search carefully for letters from Tibetan dissidents denouncing Communist rule, scrutinizing anything, even receipts for telephone calls, that is written in Tibetan.

For similar reasons they prohibit foreigners from watching the Tibetan sky burials, in which corpses are dismembered, the flesh stripped off and fed to vultures and the bones ground up and mixed with barley for other birds of prey.

"This is a traditional Tibetan practice that many people find offensive," a provincial official, a Chinese, said, "so it is forbidden to watch this, let alone photograph it."

A Chinese publishing house, however, has put out a book that contains large color photographs of the ritual.

There are also strict Chinese regulations about taking antiquities out of Tibet. Antiquities are defined as anything made before 1959 or having cultural or religious value. Chinese customs inspectors search baggage thoroughly on departure, confiscating forbidden items, most of which were bought from the pilgrims around Jokhang cathedral.

A few souvenirs can be bought safely, including thick Tibetan carpets of traditional design but newly made, and boots from the Dalai Lama's old shoemaker, now a self-employed entrepreneur.

Tibet will be opened to more tourists each year as facilities are expanded, provincial officials said. Mountain-climbing and trekking groups are already common. Tourist groups from Nepal will be admitted as soon as roads and bridges washed out in floods two years ago are rebuilt and hotel facilities are constructed in southern Tibet. Foreign specialists, including some Italian geologists, are being brought in to help develop the region.

"One reason Tibet remained so backward for so long is that it was closed off from the rest of the world," Cheng Ruilue, the Chinese deputy director of Tibet's Foreign Affairs Bureau, said. "The isolation was due, first of all, to geography, but also to other, subjective factors. All of us here feel that if Tibet is to develop and progress and if its people are to live better, then it must open to the outside world. This is a process that should be accelerated."

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INTERNATIONAL DATEBOOK

AUSTRIA	HARMONICOURT CONDUCTOR, ARLEEN AUGER soprano (Telmann, Bach); RECITAL — Jan. 11: Mariha Argich piano, Mischa Maishy cello (Brahms, Schumann, Schubert, Stravinsky); EXHIBITION — To Feb. 26: "The History of Photography in Austria"; EXHIBITION — To Feb. 26: "Rocky Horror Picture Show" (O'Brien).	BEELGIUM
VIENNA, Konzerthaus (tel. 72.12.11). CONCERTS — Jan. 9: Schütz Ensemble (Haydn, Marini, Eder, Reger, Mozart); Jan. 13: Concentus Musicus, Nikolaus		BRUSSELS, Palais des Beaux-Arts (tel. 512.50.45). EXHIBITIONS — To Feb. 12: "Harold Lloyd: L'Œuvre d'Art Total"; To Feb. 12: "Roger Nellen."



WWF Nancy Nash

The panda stands for WWF and for thousands of other animals and plants facing extinction

THE WORLD WILDLIFE FUND (WWF) is dedicated to the conservation of all endangered forms of life. Sadly, the Giant Panda is one of the many species now in danger of extinction.

In a unique and historic example of international co-operation the People's Republic of China have invited WWF to work with them to save the world's most widely-admired animal.

The Chinese Government has been actively engaged in Panda Conservation for many years. Now a WWF team led by the distinguished ecologist Dr. George Schaller is at work in Sichuan Province together with top Chinese scientists under the leader-

ship of Professor Hu Jinchu to carry out an in-depth study of the Panda and its needs for survival in the wild.

A major problem: the Giant Panda's diet demands huge quantities of bamboo and the evidence suggests that the bamboo in Wolong Natural Reserve may be about to flower and die — a serious threat to the survival of Pandas in that area.

Other factors — the Panda's low reproduction rate, internal parasites, dietary and territorial requirements — are also being studied.

Ultimately, to ensure that the Giant Panda has a future, we have to conserve the complex ecosystem in which it lives. This broad conservation

philosophy is reflected in the hundreds of well-planned projects which are now being carried out by WWF in over 50 countries.

The Giant Panda is an endangered animal. It is also the symbol of WWF's worldwide conservation efforts to save life on earth.

But WWF needs money — your money.

Please send your contribution to:
WWF International,
1196 Gland, Switzerland
On to the WWF National Organisation in your country.
I support the aims of the World Wildlife Fund and enclose the sum of

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Address _____
WWF WORLD WILDLIFE FUND

WWF acknowledges the donation of this space by International Herald Tribune.

Admission: none; prepared as a public service by Ogilvy & Mather.

RECITAL — Jan. 10: Boyan Vodenicharov piano.
EXHIBITION — To Feb. 19: "Islamic Art and Design: 1500-1700."
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DENMARK
COPENHAGEN, Charlottenborg (tel. 13.40.22).
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HONG KONG
HONG KONG, City Hall (tel. 526.47.54).
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Follow

by Vicky Elliot

CANZONHO, China — The capital of the People's Republic of China, Beijing, is a city of 10 million people. It is a city of contrasts, a city of extremes. It is a city of ancient traditions and modern technology, a city of poverty and wealth, a city of hope and despair.

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TRAVEL

Living in a National Symbol

by Steve Schneider

KINDERDIJK, the Netherlands — For Arie Hoek, a 19-year-old native of Kinderdijk, a hamlet less than five miles (about eight kilometers) east of Rotterdam, there is nothing unusual about living in a national symbol. Hoek is the 10th generation of his family to dwell, over the course of the last 245 years, within a single windmill.

Home for Hoek means, in part, an intricate clockwork of wooden gears, wheels and posts, a quartet of rectangular sails fastened onto vanes that jut from the roof, and walls that continue to slope inward as he climbs the mill's five floors.

The same description applies to the homes of Hoek's immediate neighbors. Altogether, Kinderdijk (pronounced KIN-der-dike) contains 19 windmills, and they are said to be the largest group of windmills in the world. All but one are inhabited. About half of them were built in 1738 and the remainder in 1740, when the mills began to play their part in the Dutch people's continuous struggle to wrest patches of usable land from the waters that would otherwise overrun much of their low-lying country.

A century ago about 11,000 windmills dotted the landscape of Holland; now the figure is closer to 950, of which 300 are still in use for a variety of agricultural and commercial purposes.

Except when turning for display, the mills of Kinderdijk have been in retirement since 1945, when their function of removing water from reclaimed land was taken over by a diesel-powered drainage plant. Despite their practical obsolescence, the mills remain interesting as reminders of a time when ingenuity was combined with readily available resources to achieve real gains against a reluctant land.

The mills are clustered in a section of Kinderdijk called the Ablasserswaard, the corner of land formed by the juncture of the Lek and the Noord rivers. They rise gracefully and serenely — and not without a trace of mystery — from their marshy territory, which is intersected by canals and creeks and other snippets of water. Viewed from a distance, the incongruous community of mills can evoke the feeling of some prehistoric monument.

Upon closer inspection, the image breaks down. Cows graze and chickens feed near many of the mills, and vegetable gardens sprout wherever there is space to allow them. Indeed, the mills also show most of the other hallmarks of domestication: Floral-patterned curtains hang inside the tiny windows, bicycles lean against the sides of buildings, laundry flaps in the breeze.

One of the mills is open to the public only in summer, for a fee of about two guilders (60 cents). Its interior has been preserved to recreate the living conditions of a Dutch miller and his family in the middle of the 18th century. Cupboards and shelves stocked with pots, ewers and ceramic bowls surround the wooden cogwheels and pinions, sometimes as large as six feet (about two meters) in diameter, that run through the center of the mill and relay the motion of the vanes down to the scoops at water level.



A windmill in Holland.

John Cooper/Herald

Iron spikes embedded in the bare brick walls support tools, lanterns and clothing; the sleeping accommodations consist of a mattress tucked into a cupboard along one of the walls, with a baby's crib suspended overhead within the same enclave. The lower floors are partitioned by walls into irregularly shaped rooms, while the upper stories, with their progressively lesser amounts of space, are left undivided, resulting in a series of perfectly round rooms.

The mills were built to remove water from the polders, or reclaimed low land, that make up the Ablasserswaard — and are, accordingly, classified as drainage mills. Their sails harness the force of the wind and transmit it, by means of the machinery within the mill, to paddle wheels, which scoop up and displace the polders' undesired water. The water is thrown into a higher body of water on the other side of the Lek. Sawmills and grain mills are also relatively common in Holland.

Kinderdijk's mills were built by agricultural organizations that sought to use the land that is now contained in the polders. Although performing the same work, groups of mills embody slight differences in design. Those servicing the Nederwaard, for example, are conical and made of brick, except for their thatched

tops, while the Overwaard mills are octagonal and entirely faced with reeds. All of them are known, however, as capwheels, as the tops, their "caps," onto which the vanes are attached, can be turned through 360 degrees to best receive the wind. For that reason, each mill has two entrance doors, one opposite the other. If one door is blocked by the moving vanes, the other remains accessible.

The village of Kinderdijk itself does not amount to much more than the brick homes and shops that line the road leading to the windmills, but a trip might profitably be combined with a visit to Schoonhoven, a small city a few miles east across the Lek. Schoonhoven is the center of Holland's silver industry and has several workshops where the crafting of filigree jewelry and other silverware can be seen. The city also houses a distinguished school of silversmithing and a Gold, Silver and Clock Museum, featuring an assortment of the best of the locally produced artifacts.

Ferryboats able to carry cars link Schoonhoven with the other bank of the Lek, where a road paved atop a dike leads into Kinderdijk. Just look for the 76 sails (four to a mill) scraping against the horizon.

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Morning mist over Shamian island, with a kindergarten in the background.

'Follow Me' in Old Canton

by Vicky Elliott

GUANGZHOU, China — "We try our best to give you the helping hand," says Mr. Shu, who is smooth and plump and waiting at the customs by the hydrofoil. "Welcome to Canton."

Canton is Guangzhou now (it has been called Kwangchow), the capital of Guangdong province in southern China. It is the home of Cantonese cuisine and 5 million people, and it opens onto the West. Hong Kong is an arm's length away, three hours by train via Loo and the New Territories, and three hours by hydrofoil down the Pearl River. The China Travel Service funnels visitors in one way and out the other, for 1,500 Hong Kong dollars (about \$200 U.S.) the "three-day," 48-hour visit. As a taste of China, the urban China of the bicycle bells, Mr. Shu's weekend in Guangzhou is mandatory.

Mr. Shu is all poise, all wisecracks, and in his early 30s. "Nice to see you," he says, extending the hand to each of his flock. "My name is Shu." The customs post is full of the soothing flutes of Beethoven, and of howling young customers officers with perfect English and empty hands. Outside, the faces waiting are not so plump and smooth.

"Follow me," says Mr. Shu, and the tourist, a child again, taken by the hand, embarks upon a three-day tour.

"Follow me," says Mr. Shu, at the Friendship Store, at the jade factory, at the Sun Yat-sen Memorial Hall and the place they do the paper cuttings. "Follow me," says Mr. Shu, at the hotel, and then somebody will give us a briefing. "Please come to take the short cut to the pagoda." On behalf of the municipal museum of Foshan, of the commune at Dali, of the farmer's wife with the television and the two-story house, a warm welcome is extended.

Many people who have visited Guangzhou have been to the Jade Carving Factory, where the workers pore over their gleaming green chunks in the jade-green workshop with jade-green lamps and jade-green curtains. Many have eaten the carp at the commune at Dali, and been shown the ambling pandas at the Zoo.

Mr. Shu makes his visitors see that they are seeing it all for the first time, even as he points out that there are 150 hospitals in Guangzhou, that the city flowers are kapok flowers, that the Artificial Lake Park, originally the breeding ground for mosquitoes and flies, is now an ideal place for the jogger and also for dating.

There, for the fourth time through the bus window, is the Meilin restaurant on Zhongshan Road. "People have freedom to believe in any religion," but actually not many people believe in religion, says Mr. Ho, who is Mr. Shu's companion and not as self-assured. "Mr. Shu believes in Huma Nism." ("My wife prefers it," Mr. Shu concurs.)

At the ancestral temple in Foshan, one hour away from the city, the ceramic princesses in the caves and the fierce bronze guardians and

their halberds have come through the Cultural Revolution unscathed. Outside, the Sunday crowds, the girls in their pink and orange Sunday best, aim coins at the bronze turtle of longevity in its pond, trying to hit his head before they fall into the thick carpet of algae. For those who knew it in more puritanical times, it is difficult to get the measure of this China where the past has been made respectable, where they embroider silk flowers and birds again and wash in the bamboo stalks with the thick brush. This may be the society of the masses, but there are armies of creators at work again in the old traditions, breathing life into each stylized stitch and brushstroke.

The loudspeakers are silent now. In the bookshops, the lone portrait of Mao is lined up in a dark corner with a single picture each of Marx and Lenin. There are no tractors on the posters, only beautiful women, long-haired Chinese ones with saucy dresses by cloud-blown mountains, and blond ones by Renoir and Klimt. The English titles include "Jonathan Livingston Seagull" and Louisa Alcott's "Little Women." For foreigners, there are Chinese stories like "Too Lazy to Move the Pancake" and "The Duke Likes Birds."

In the streets, the boardings show young ladies at their dressing tables, advertising face creams, or "Vaporous Waterproof Boots" or porcelain teeth ("Dental Material, Long History"). They have a curious, distant look, until one realizes that they are all hand-painted, that there is no photography to carry the image of consumerism, smooth and reproducible, to the masses.

Mr. Shu, smooth and plump, leads the way to the Culture Park after the second of the four 10-course banquets. It is the time of the Chrysanthemum Show, which comes in pots, a hundred blossoms trained into a rosette from a single stem. There is also a fine collection of bouzoukis, gamed on by admiring couples. The other forms of culture are a bright and shiny Cantonese opera, in the open air, and also in the open air, the screening of a military drama, all fur boots and cannon fire. There is an exhibit, clipped 78-rpm recordings of a favorite singer, in a glass case scattered with polystyrene waste, and then another spectacle, which takes the breath away.

In a cylinder of planks, two houses high, a saloon car trailing a phosphorescent dragon's tail climbs a Chinese Wall of Death. The audience, perched on three rows round the top, cranes over the rink. Next comes a fleet of motor bicycles, spiraling higher from the ground. The audience is mesmerized. This is a tribute to the motor, where most people pedal, and it helps explain why, on the roads outside, the youths on the rare Hondas among the whirling bicycle wheels look as arrogant as if they ruled the world.

Mr. Shu has gone home, but there is still a city to explore: the tin tables set out for the shovellers of noodles and the eaters of whelks, which gleam in buckets. There are strange animals barbecued and hung on hooks, with straight tails and tucked-back paws (Mr. Ho will have something to say about that) and

butter biscuits with piped jade-and-pink roses of cream.

A student is moonlighting on the sidewalk, selling filmy paper scrolls. They are all his own work, characters decorated with dragons and horses and stools, and carry such hoped-for messages as "Inner Strength" and "Smooth Sailing." Cheerfully, he pockets the foreigners' smooth currency certificates, Monopoly money, and a crowd gathers.

Guangzhou is bigger than it seems. Without Mr. Shu, it doesn't take long to run into a blind alley in the dark. Through the windows, families sit hunched over the purple glow of the television. A marshal is playing the xylophone tonight in Beijing, vigorously, with virtuosity; later, the news pans over the rows of dozing party delegates, over a new monorail, over the scuffling of women of Greenham Common.

A lady taxi driver with white wool gloves and upholstery sprigged with cherry-blossom is there to drive the tourists back to the White Swan Hotel. It is an ivory fortress, opened last year, where a room furnished in jade-green silk and polished walnut tables costs around 100 renminbi, or \$50, for the individual traveler, whom the China Travel Service is now courting.

The hotel stands on Shamian island, where the emperors marooned the prying foreign traders in their 19th-century mansions — at arm's length from the city. Its avenues are dusty, with the dust that settles over this subtropical zone in the winter months, and with the rubble of unfinished roadworks, and the island is stranded now and lonely, like a drifting chunk of Berlin or Venice.

But three minutes over the bridge lies the Free Market, which does not mean, says Mr. Shu, that it is free of charge. You can bargain in the Free Market, he says, but the average tourist will probably confine himself to looking at, rather than negotiating for, the comestibles here.

There are bunches of fat frogs, kicking in their baskets, and bundles of flattened rats, dried, like the ducks, in the sun. There are ocelots in cages and livers in basins and slugfish, nameless reptiles in tanks.

"The Cantonese eat almost anything," Mr. Ho explains. "They say, the things flying in the sky, except the planes, can be eaten. The things on the ground with four legs, except the tables, can be eaten."

And what are the barbecued fellows with straight tails and paws? "They are dogs," he says, a little sheepishly. "It is very delicious." Mr. Shu says that doggy bags will be necessary for the final banquet. It will have 14 to 16 courses. Will there be Peking duck? someone asks. "Cantonese goose," he huffs. "Peking duck to the Cantonese people is nothing." In fact, there is neither, only leeks and pork and fish and cabbage and sucking pig and winter melon soup and steamed crab and fried milk and so on.

Mr. Shu proposes a toast. "It's a pity tomorrow morning you're going to say goodbye to me," he says, extending his hand.

however, has put out a book that of the ritual.

gulations about taking antiquities as anything made before 1959 or having se customs inspectors search baggage around Jokhang cathedral.

safely, including thick Tibetan carpets, and boots from the Dalai Lama's private entrepreneur.

tourists each year as facilities as id. Mountain-climbing and trekking zist groups from Nepal will be admitted out in floods two years ago are constructed in southern Tibet. Foreign geologists, are being brought in r

backward for so long is that it we d." Cheng Rulue, the Chinese deputy Bureau, said. "The isolation was due to other, subjective factors. All of it and progress and if its people are outside world. This is a process that

as Angeles Times

HONG KONG

HONG KONG. City Hall (tel: 326.47.54).

Jan. 22-Feb. 21. 12th Hong Kong Arts Festival.

•The Landmark (tel: 67.11.11).

Chinese Cultural Show — Jan. 15.

•Fukienese Glove Puppets.

•The Ocean Terminal (67.11.11).

Chinese Cultural Show — Jan. 15.

•Cantonese Rod Puppets.

ISRAEL

HAIFA. Haifa Symphony Orchestra (tel: 64.19.73).

CONCERT — Jan. 7 and 8: Philip Bender conductor (Ramon, Sam Sabens, Ravel, Bizet).

JERUSALEM. Israel Museum (tel: 62.82.72).

EXHIBITION — Through Jan. 10: "The Bombing in Palestine: The Tenth Year."

ITALY

MILAN. Padiglione d'Arte Contemporanea (tel: 78.46.88).

EXHIBITION — To Jan. 9: "Ma Ray."

To Jan. 9: "Alberto Maruni."

ROME. Teatro Olimpico (tel: 39.33.04).

CONCERT — Jan. 9: "Music of Ravi and Pergolesi." Franco Petroschi conductor.

TRIESTE. Teatro Comunale Giuseppe Verdi (tel: 63.19.48).

OPERA — Jan. 8 and 11: "Andrea Chénier." (Giordano) José Colucci conductor.

JAPAN

TOKYO. Budokan (tel: 465.90.90).

ROCK — Jan. 9 and 10: Chicago.

•Korakuen Stadium (tel: 81.21.21).

CIRCUS — To Feb. 19: Borden Circus.

•Laforet Museum (tel: 475.04.11).

EXHIBITION — To Jan. 16: "Paintings by Picasso."

NETHERLANDS

AMSTERDAM. Jewish Historical Museum (tel: 24.22.99).

EXHIBITION — To March 20: "The Van Vliet." A Vanished World: photographs of Jewish Eastern Europe, taken on the eve of World War II.

ROTTERDAM. De Doelen (tel: 14.28.11).

Rotterdam Philharmonic Orchestra.

Jan. 8: Thomas Sanderting conductor.

Haydn, Prokofiev, Franck.

SCOTLAND

EDINBURGH. Gallery of Modern Art (tel: 356.89.21).

EXHIBITION — To Jan. 9: "Experiments and Conclusions: Two life pieces of Art from Germany."

GLASGOW. City Hall (tel: 552.59.61).

•Theatre Royal (tel: 331.12.34).

BALLET — Jan. 7: "The Nutcracker" (Tchaikovsky).

SWITZERLAND

GENEVE. Petit Palais. Musée d'Art Moderne (tel: 46.14.33).

EXHIBITION — To Jan. 15: "Karl Zuckmayer." Two life pieces of Art from Germany.

ZURICH. Kunsthhaus (tel: 251.67.68).

EXHIBITION — To Jan. 22: "Le nardo da Vinci: Nature Studies."

UNITED STATES

NEW YORK. Guggenheim Museum (tel: 360.35.00).

EXHIBITIONS — To Feb. 12: "The diptych: Russian and Bauhaus 1913-1933."

Eurasia in L.A. Kitchens

by Susan Heller Anderson

LOS ANGELES — Like many things here, cuisine gets a face-lift every few years. And the latest wrinkle is a blend of French and Oriental cuisines, which, for lack of an existing term, might be called "Franco-Asian."

Mel Brooks and Anne Bancroft, Christopher Reeve, Kirk Douglas and Richard Dreyfuss have discovered it. "This is particularly suited to California life, where everyone cares about their bodies," observed Patrick Terral, the owner of Ma Maison, a traditional French restaurant. "This mixture of Oriental and French is revolutionary cooking."

It springs from the inspiration of French-trained Japanese chefs, integrating Chinese and Japanese ingredients and techniques into French dishes. A half-dozen restaurants, from Santa Monica on the west to Silver Lake on the east, are now offering variations on the theme.

"La Nouvelle Cuisine Franco-Japonaise," reads Susumu Fukui's calling card. He is the executive chef of La Petite Chaya, in the Los Feliz area, which has taken Franco-Asian cooking to its most elaborate limits. "Into French food we try to put Japanese techniques, and the traditional Japanese artistic feeling," Fukui said. In one raw fish dish, he explained, "we use Oriental seaweed and sandwich fresh fish between it, a traditional Japanese marinating technique." Here, mille-feuille is not a flaky pastry confection, but layered slices of sashimi in a traditional French vinaigrette. Well, almost traditional — the sauce is made with rice-wine vinegar.

The small 80-person restaurant is cleanly white with minimal Japanese flower arrangements. Fukui, who was trained in the classical French style in such kitchens as the Imperial Hotel's in Tokyo, also spent six months in a *kappo* restaurant. "This is an authentic, old-style restaurant with much Japanese philosophy," he explained. "You get nine or 10 small courses, sometimes only one-bite." This type of menu, invented some 200 years ago, is now fashionable in France.

An hors d'oeuvre platter, arranged on hand-painted ceramic dishes, may include chopped fish tartare enclosed in a slice of lotus root; a stuffed, peeled cherry tomato nestled inside a fried zucchini blossom. New York State foie gras stuffed into a fried potato basket — all single mouthfuls. A cloud of shredded cucumber topped a salad of squash, crayfish and crunchy vegetables.

"Desserts are French, but much lighter and less sweet," the chef said. A slice of marbled white-and-dark-chocolate mousse was blanketed with a cobweb of spun sugar, studded with the occasional fragrant mint leaf.

Wolfgang Puck's newly opened Chinois on Main in Santa Monica might be a stage set for "Turandot." Foam-green lacquered walls and

tables, shiny black chairs, slick, sleek art, an open brick-lined kitchen with 17 chefs for 70 customers, 7-foot-high brass peacocks — Cecil B. De Mille would have loved it.

"This is not another Chinese restaurant," asserted Puck, who also owns Spago, where he adapted the Italian food to California tastes. Now, he's doing the same with Chinese food, using French and American ingredients.

"We're getting small *pousstis* and cooking them like Peking duck," he explained. "Whole catfish, fried, with soy sauce, salt and lemon juice. Crabs with black bean sauce with butter and scallions." Food is served Chinese-style, one dish at a time, placed in the center of the table and eaten with chopsticks.

"In the beginning we tried to cook the French way — very subtle," Puck said of his four-month-old restaurant. "But much Chinese food isn't subtle. Flavors are distinct." He has Japanese but no Chinese cooks. "They couldn't cook as we wanted," he said. "They were making gooey sauces with MSG." Desserts may be a trio of *crèmes brûlées* — with mandarin orange, ginger and mint flavorings. Or sherbets of green tea or plum wine.

Peter Kong, a Korean reared in Japan, said that his restaurant, C'est Japon, in Sherman Oaks, "isn't a mixture of Japanese and French — it's some of each." It has a sushi bar, but the sushi may be a California-esque mix of crabmeat and cucumber.

Kong was a music promoter, and many rock musicians frequent his modern, gray-and-scarlet restaurant. "I'm trying to integrate the genuineness of French cooking with the subtlety of Japanese cuisine," he said. "A lot of times in Japan being pretty is more important than taste. I wanted French taste with Japanese detail."

The Franco-Asian restaurants all pride themselves on Japanese presentation. "I don't make Japanese food, but sometimes people see it that way because of how it looks," said Hiroko Ishikawa, of Ishi's Grill in Silver Lake. His tiny, six-table restaurant attracts many chefs.

He opened a thick book crammed with sketches of his creations — *carre d'agneau* covered with a paste of black sesame seeds, egg yolk and Parmesan cheese; a sauté of *enoki* and *shitake* mushrooms with ginkgo nuts; a traditional *clair* made with raspberries.

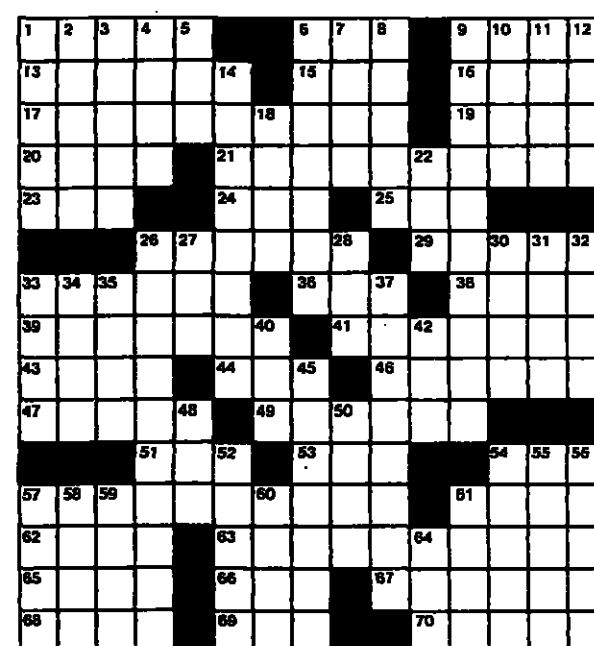
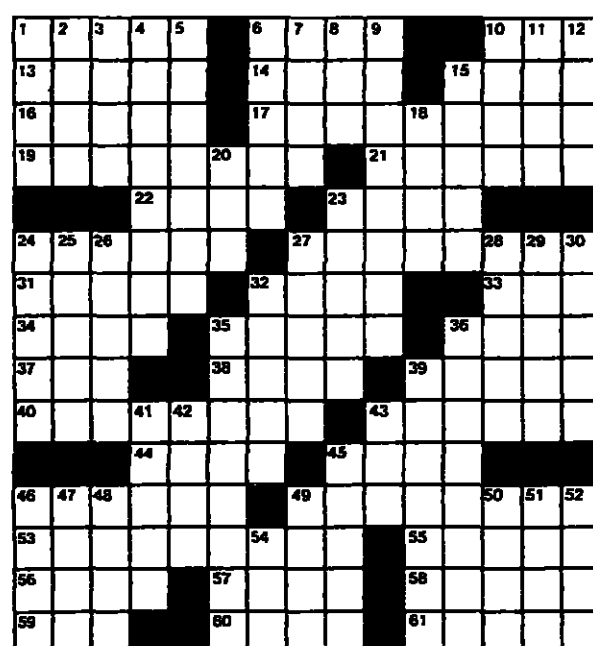
At the Lyon restaurant, also in Silver Lake, customers sit at a 15-seat counter while Tadayoshi Matsuno cooks. Previously, he was a chef at L'Orangerie, a popular French restaurant. "This is very Japanese in style — small portions, nothing sweet, nothing heavy," he said in halting English. He doesn't know Japanese cooking, "only tempura." For 24 years, he worked in a French restaurant in Kyoto.

Like many West Coast phenomena, Franco-Asian cooking is spreading. La Petite Chaya, only a year old, plans a branch for the spring, and is searching for a New York location.

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Question:
Four letters meaning two-for-one

(See bottom of the page for answer)



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Norway	N.Kr. 1,160	580	320
Portugal	Esc. 10,000	5,000	2,750
Spain	Ptas. 16,260	8,130	4,480
Sweden	S.Kr. 1,160	580	320
Switzerland	S.Fr. 356	178	98
Rest of Europe, North Africa, former French Africa, U.S.A., French Polynesia, Middle East	\$ 280	140	77
Rest of Africa, Canada, Latin America, Gulf States, Asia	\$ 390	195	107

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Grains

Grain	High	Low	Settle	Chg.
WHEAT				
5,000 bu minimum - dollars per bushel				
Mar	1.37	1.35	1.36	+0.02
May	1.38	1.36	1.37	+0.01
Jul	1.39	1.37	1.38	+0.01
Sep	1.40	1.38	1.39	+0.01
Nov	1.41	1.39	1.40	+0.01
Dec	1.42	1.40	1.41	+0.01
Jan	1.43	1.41	1.42	+0.01
Feb	1.44	1.42	1.43	+0.01
Mar	1.45	1.43	1.44	+0.01
Apr	1.46	1.44	1.45	+0.01
May	1.47	1.45	1.46	+0.01
Jun	1.48	1.46	1.47	+0.01
Jul	1.49	1.47	1.48	+0.01
Aug	1.50	1.48	1.49	+0.01
Sep	1.51	1.49	1.50	+0.01
Oct	1.52	1.50	1.51	+0.01
Nov	1.53	1.51	1.52	+0.01
Dec	1.54	1.52	1.53	+0.01
Jan	1.55	1.53	1.54	+0.01
Feb	1.56	1.54	1.55	+0.01
Mar	1.57	1.55	1.56	+0.01
Apr	1.58	1.56	1.57	+0.01
May	1.59	1.57	1.58	+0.01
Jun	1.60	1.58	1.59	+0.01
Jul	1.61	1.59	1.60	+0.01
Aug	1.62	1.60	1.61	+0.01
Sep	1.63	1.61	1.62	+0.01
Oct	1.64	1.62	1.63	+0.01
Nov	1.65	1.63	1.64	+0.01
Dec	1.66	1.64	1.65	+0.01
Jan	1.67	1.65	1.66	+0.01
Feb	1.68	1.66	1.67	+0.01
Mar	1.69	1.67	1.68	+0.01
Apr	1.70	1.68	1.69	+0.01
May	1.71	1.69	1.70	+0.01
Jun	1.72	1.70	1.71	+0.01
Jul	1.73	1.71	1.72	+0.01
Aug	1.74	1.72	1.73	+0.01
Sep	1.75	1.73	1.74	+0.01
Oct	1.76	1.74	1.75	+0.01
Nov	1.77	1.75	1.76	+0.01
Dec	1.78	1.76	1.77	+0.01
Jan	1.79	1.77	1.78	+0.01
Feb	1.80	1.78	1.79	+0.01
Mar	1.81	1.79	1.80	+0.01
Apr	1.82	1.80	1.81	+0.01
May	1.83	1.81	1.82	+0.01
Jun	1.84	1.82	1.83	+0.01
Jul	1.85	1.83	1.84	+0.01
Aug	1.86	1.84	1.85	+0.01
Sep	1.87	1.85	1.86	+0.01
Oct	1.88	1.86	1.87	+0.01
Nov	1.89	1.87	1.88	+0.01
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Jun	1.96	1.94	1.95	+0.01
Jul	1.97	1.95	1.96	+0.01
Aug	1.98	1.96	1.97	+0.01
Sep	1.99	1.97	1.98	+0.01
Oct	2.00	1.98	1.99	+0.01
Nov	2.01	1.99	2.00	+0.01
Dec	2.02	2.00	2.01	+0.01
Jan	2.03	2.01	2.02	+0.01
Feb	2.04	2.02	2.03	+0.01
Mar	2.05	2.03	2.04	+0.01
Apr	2.06	2.04	2.05	+0.01
May	2.07	2.05	2.06	+0.01
Jun	2.08	2.06	2.07	+0.01
Jul	2.09	2.07	2.08	+0.01
Aug	2.10	2.08	2.09	+0.01
Sep	2.11	2.09	2.10	+0.01
Oct	2.12	2.10	2.11	+0.01
Nov	2.13	2.11	2.12	+0.01
Dec	2.14	2.12	2.13	+0.01
Jan	2.15	2.13	2.14	+0.01
Feb	2.16	2.14	2.15	+0.01
Mar	2.17	2.15	2.16	+0.01
Apr	2.18	2.16	2.17	+0.01
May	2.19	2.17	2.18	+0.01
Jun	2.20	2.18	2.19	+0.01
Jul	2.21	2.19	2.20	+0.01
Aug	2.22	2.20	2.21	+0.01
Sep	2.23	2.21	2.22	+0.01
Oct	2.24	2.22	2.23	+0.01
Nov	2.25	2.23	2.24	+0.01
Dec	2.26	2.24	2.25	+0.01
Jan	2.27	2.25	2.26	+0.01
Feb	2.28	2.26	2.27	+0.01
Mar	2.29	2.27	2.28	+0.01
Apr	2.30	2.28	2.29	+0.01
May	2.31	2.29	2.30	+0.01
Jun	2.32	2.30	2.31	+0.01
Jul	2.33	2.31	2.32	+0.01
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Mar	3.37	3.35	3.36	+0.01
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Nov	3.93	3.91	3.92	+0.01
Dec	3.94	3.92	3.93	+0.01
Jan	3.95	3.93	3.94	+0.01
Feb	3.96	3.94	3.95	+0.01
Mar	3.97	3.95	3.96	+0.01
Apr	3.98	3.96	3.97	+0.01
May	3.99	3.97	3.98	+0.01
Jun	4.00	3.98	3.99	+0.01

FRIDAY, JANUARY 6, 1984

TECHNOLOGY

By Andrew Pollack

Concerns Offer Information Services
By Using Telephone as a Computer

NEW YORK — Move over videotex. Here comes audiotex. Videotex, in which people retrieve information using computers or specially equipped television sets, has not really caught on, partly because most people do not have computers. But nearly everyone has a telephone. Now, many companies are trying to offer information services using electronic voices.

Such an idea is not entirely new. Dial-it services have long provided callers with time, weather and other information. But these systems usually use tape recorders and give everyone the same message. The new electronic systems allow the computer to respond to requests made by punching buttons on a tone telephone keypad.

Dun & Bradstreet recently introduced a system that gives credit ratings of companies over the telephone. U.S. Quotest, a New York company, offers stock quotations over the phone to subscribers who punch in the ticker symbol for the desired stock. United Press International also offers stock quotations to the general public as a dial-up service in New York starting next month.

Other uses are also possible. Transist systems in Salt Lake City and in Columbus, Ohio, offer business information by electronic voice. Dow Jones & Co. is developing Dow Phone, which will deliver business news and quotes. And AT&T recently said it will sell voice-response systems made by Perception Technology Inc. of Canton, Massachusetts, to companies that want to set up their own services.

Most of the systems work by recording speech and converting it into a digital code that can be stored on a computer. Various phrases are stored and then the computer strings the appropriate phrases together. If the back price is 125, for instance, the computer will play back the electronic voice pattern for "one" followed by "hundred" followed by "twelve" then "five" and "five."

There are drawbacks, however. Despite advances in electronic speech, the voices still sound somewhat mechanical. In some systems, according to George J. Finney, vice president of advanced development for Dun & Bradstreet, "there is the unconscious notion that you're hearing from a retarded individual." One reason is that the person doing the recording must speak in a flat tone of voice because the phrases will be strung together in many different combinations.

In addition, speech is costly to store in digital form. Recording and reproducing one second of natural-sounding speech requires the same amount of computer storage as is needed to store two pages of text. To reduce the memory required, system providers either skimp on speech quality or limit the vocabulary.

Also, while speech response might be suitable for small pieces of information, like stock quotes, it is less suitable for large amounts of information. And the telephone keypad is not as versatile as a computer keyboard, as used in videotex systems, for entering requests for information.

To use U.S. Quotest, for instance, the caller punches in an identification number for billing and then the ticker symbol. The "1" for instance, is represented by pushing the 4 key and then the 3, because 1 is on the 4 key and is the third letter on the key. "M" is 6,1 and so on.

Scratchy Recording of a Lip

The voice, while understandable, sounds like a scratchy recording of a person with a lip. The service costs 12 cents a minute during trading hours and 6 cents otherwise, with a single quote taking about 30 seconds. Individuals can also program in their portfolios and receive quotes on all their stocks at once.

Dun & Bradstreet's system has a better-sounding voice. To get a credit rating, payment history and other data, the user types in the phone number of the company being checked. Nevertheless, because of its limited vocabulary, Dun's voice spells words rather than speaking them. For instance, after punching in the phone number of The New York Times, and waiting 20 to 40 seconds, the system responds that it is a publishing company in New York, whose name is spelled N-E-W-Y-O-R-K. Other keys must be hit to get the computer to spell out the full name and address (2-2-9-W-4-3-R-D-S-T).

To get around the limited vocabulary, other companies, such as Digital Equipment Corp., have developed systems that convert text to speech, rather than playing back recorded speech. Digital's new DECtalk system can pronounce virtually any text stored in a computer, using phonetic rules and a list of exceptions covering words that are not pronounced phonetically.

The system produces voices that vary from a booming bass to a squeaky child's that are usually understandable but that sound as if they have a foreign accent. Shawmut Bank is experimenting with the system to give account information. MCI is planning to use DECtalk to allow customers of its electronic mail service to have their messages read to them.

New York Times Service

CURRENCY RATES

Interbank exchange rates for Jan. 5, excluding bank service charges

Currency	U.S.	U.S.	Currency	U.S.	U.S.
Australian \$	1.3325	1.3325	Japanese ¥	161.25	161.25
Belgian franc	40.3375	40.3375	Swiss franc	1.4850	1.4850
British pound	1.5975	1.5975	West German mark	1.8375	1.8375
Canadian \$	1.3325	1.3325	French franc	6.5575	6.5575
Denmark kr.	4.6625	4.6625	Italian lire	1936.25	1936.25
Deutsche mark	1.8375	1.8375	Netherlands guilder	3.6025	3.6025
Dracma	340.75	340.75	New Zealand \$	1.6875	1.6875
Escudo	200.00	200.00	Portuguese escudo	200.00	200.00
Florin	3.6025	3.6025	Spanish peseta	166.64	166.64
Frank	6.5575	6.5575	Swedish krona	4.6625	4.6625
French franc	6.5575	6.5575	Swiss franc	1.4850	1.4850
German mark	1.8375	1.8375	Thai baht	20.3375	20.3375
Gratka	340.75	340.75	U.S. dollar	1.0000	1.0000
Guinea	200.00	200.00	Yen	161.25	161.25
Indian rupee	16.6625	16.6625			
Israeli sheqel	3.4875	3.4875			
Italian lire	1936.25	1936.25			
Japanese ¥	161.25	161.25			
Netherlands guilder	3.6025	3.6025			
New Zealand \$	1.6875	1.6875			
Portuguese escudo	200.00	200.00			
Spanish peseta	166.64	166.64			
Swedish krona	4.6625	4.6625			
Swiss franc	1.4850	1.4850			
Thai baht	20.3375	20.3375			
U.S. dollar	1.0000	1.0000			
Yen	161.25	161.25			

INTEREST RATES

Jan. 5

Currency	Rate	Currency	Rate
3-month Eurocurrency	3.00%	3-month U.S. Treasury	3.00%
6-month Eurocurrency	3.25%	6-month U.S. Treasury	3.25%
9-month Eurocurrency	3.50%	9-month U.S. Treasury	3.50%
12-month Eurocurrency	3.75%	12-month U.S. Treasury	3.75%

Key Money Rates

Currency	Rate	Currency	Rate
3-month Eurocurrency	3.00%	3-month U.S. Treasury	3.00%
6-month Eurocurrency	3.25%	6-month U.S. Treasury	3.25%
9-month Eurocurrency	3.50%	9-month U.S. Treasury	3.50%
12-month Eurocurrency	3.75%	12-month U.S. Treasury	3.75%

Gold Prices

Currency	Rate	Currency	Rate
3-month Eurocurrency	3.00%	3-month U.S. Treasury	3.00%
6-month Eurocurrency	3.25%	6-month U.S. Treasury	3.25%
9-month Eurocurrency	3.50%	9-month U.S. Treasury	3.50%
12-month Eurocurrency	3.75%	12-month U.S. Treasury	3.75%

Dollar's Rise Only Fuels Anxiety About a Drop

Millions Can Be Lost On a Miscalculation

By Bob Hagerty
International Herald Tribune

LONDON — Listening to currency economists was a good way to get clobbered last year.

Ask Roreto, the Dutch bond fund that has about \$1.6 billion invested in government paper. Anticipating a drop in the dollar, Roreto decided last summer to hedge nearly 100 percent of its U.S. bond holdings by buying forward contracts to sell the dollar. The cost: about \$25 million at an annual rate.

As the dollar hit peaks this week, Roreto was still defending its move on the grounds of prudence and still expecting the dollar to crumble soon. "We are rather persistent," says Jan Donker, senior portfolio manager at Roreto.

Mr. Donker is hardly alone. The dollar's three-year surge has ignored so many forecasts for so long that most forecasters hesitate to predict a major move either way this year. Complicating matters is next November's presidential election in the United States, which is likely to have a decisive effect on U.S. economic policy.

Nonetheless, many investors are anxious that a sharp drop may be near. Most economists and portfolio managers say the risk of a plunge in the dollar is greater than the risk of a further steep rise. Some warn that the eventual change of direction is likely to be abrupt.

"Having defied economic gravity for so long, the dollar could well come down to earth with a bump," says David F.V. Ashby, chief economist at Grindlays Bank in London.

Last year, most economists expected the dollar to fall at least 5 percent or 10 percent against the Deutsche mark. Instead, it rose 15 percent, finishing the year at 2.73 DM. On Thursday, the dollar closed in London at 2.823 DM. In Paris it closed at a record 8.53 francs.

The economists got it wrong by failing to

A 3-Month View On the Dollar

Survey by Euromoney Currency Report of 36 foreign-exchange forecasters for rates against the dollar on Mar. 1.

Currency	Forecast	Range of Forecasts
D-mark	2.61	2.47-2.90
Pound	1.49	1.37-1.57
Yen	2.27	2.10-2.55
Swiss franc	2.11	2.00-2.27
Fr. franc	8.08	7.80-8.67
It. lira	1,633	1,550-1,740

foresee that a surprisingly robust U.S. economic recovery would push interest rates upward, further enhancing the attraction of dollar investments.

Nor could anyone predict that fighting in the Middle East and other political tensions would prove such a source of strength for the dollar, which supplanted gold as a haven for panicky investors.

At the same time, overseas lending of dollars slowed sharply, reducing supplies of the currency, while Third World debtors scrambled to buy dollars with which to repay.

At the beginning of 1983, most economists were fixated on the U.S. current account, a broad measure of trade in goods and services. As predicted, the current account deficit bloated to around \$40 billion in 1983 from \$11 billion a year earlier.

The huge deficit means that the United States is pumping out far more dollars to pay for imports than it can balance off with receipts from exports. But the current account deficit was offset by an inflow of foreign capital — drawn by high interest rates, a booming stock market and political stability.

A big question for 1984 is how long foreigners will continue to finance the U.S. deficit. Economists who are bearish on the dollar note that the current account is expected to balloon further this year. Estimates

(Continued on Page 13, Col. 1)

Yen, Deutsche Mark Are Gaining Backers

International Herald Tribune

LONDON — In diversifying away from the dollar, fund managers are torn between the Deutsche mark and the yen.

The economies of both Japan and West Germany are expected to expand this year and show healthy current account surpluses, a broad measure that includes trade in merchandise and nonmerchandise items, such as services.

Many investors prefer the long-term prospects of the yen. Japan has outtraced Germany, for instance, in the booming industries of electronics and telecommunications. In addition, the gradual relaxation of Japanese restrictions on foreign holdings of yen securities is expected to support the currency in the long run.

But the Japanese capital markets remain more protected than those of West Germany. For European investors, moreover, the biggest part of the yen's rise may be past, many analysts say.

While the dollar got all the headlines last year, the yen was even stronger. It edged up 1.5 percent against the dollar during 1983 while surging 14 percent against the mark and 11 percent against the pound.

Thus, the mark wins out on recovery potential. Alan Wrigley, who manages bond funds at Lazard Securities, favors the mark as "the most beaten-up currency."

Most analysts expect the Dutch guilder and the Swiss franc to move roughly in tandem with the mark. Some favor the franc, though, on the traditional grounds of political safety. The Helmut Kohl government in West Germany has yet to inspire strong confidence overseas, and some investors still worry about the threat of violent protests against U.S. missiles.

For variety, other analysts, such as International Treasury Management, prescribe the Canadian and Australian dollars. ITM points to Canada's slowing inflation and

(Continued on Page 13, Col. 1)

NYSE Volume Sets Record as Dow Rises 13.19

United Press International

NEW YORK — The New York Stock Exchange jumped Thursday for the second consecutive session, with prices climbing to near-record levels on an unprecedented 159.99 million shares.

Institutions returned to the market in droves.

The Dow Jones industrial average rose 13.19 to 1,282.24, just under its record of 1,287.20 set Nov. 29. It climbed 16.31 Wednesday, the biggest gain since it rose 17.38 Nov. 29.

Advances routed declines 1,309-380 among the 2,038 issues traded. Big Board volume totaled a record 159.99 million shares, topping the previous mark of 149.4 million traded Nov. 4, 1982. Volume Wednesday totaled 113 million shares.

"I don't think this is just another one-day rally like we've had over the past several months," said Stan Weinstein of the Professional Trade Reader, Hollywood, Florida.

Mr. Weinstein, who correctly predicted the bull market in 1982, said he was impressed that NYSE members had cut back on the number of shares they sold short just when smaller investors were increasing their selling of borrowed shares.

Analysts said a considerable amount of pension-fund money has begun to appear in the market along with cash from Individual Retirement Accounts.

Brokers said institutions scrambled to get on board the bandwagon on late Wednesday when it became apparent the market was launching a major move.

The Fed continued to pump money into the banking system Thursday, indicating that the board wants to keep interest rates stable.

American Telephone & Telegraph when-issued was the most active NYSE-listed issue, up 14 to 18 1/2. AT&T "old" stock was second, up 3/4 to 65 1/2.

Among the giants, American Telephone when-issued gained 3/4 to 70 1/2. Bell Atlantic 400 70 1/2. BellSouth 1 to 90 1/2. NYNEX 1 to 65 1/2. Pacific Telephone 1/2 to 59 1/2 and U.S. West 1 1/2 to 61 1/2. Southwestern Bell when-issued lost 1/4 to 63 1/2.

Merrill Lynch was third on the active list, up 2 1/2 to 34 1/2. Among the other brokers, E.F. Hutton gained 2 1/2 to 37 1/2. Paine Webber 1 1/2 to 37. Donaldson, Lufkin & Jenrette 1 1/2 to 17 1/2. A.G. Edwards 2 1/2 to 26 1/2. Advest 1 1/2 to 13 and Dreyfus Corp. 3/4 to 25 1/2.

Tandy Corp. was the fourth most active issue, off 1 1/2 to 39 1/2 with a block of 1,015,000 shares at 39 1/2.

U.S. Retailers Report Strong Increases in December Sales

The Associated Press

NEW YORK — U.S. retailers reported vigorous gains in retail sales in December from year-earlier levels, when the recovery was just beginning to show promise.

And Jeffrey Feiner, retail specialist with Merrill Lynch Inc., said that early January results point to 1983 and 1984 as "back-to-back aggressive consumer-spending years."

Sears, Roebuck & Co., the largest U.S. retailer, said December sales were up 17.5 percent from a year earlier. Including the sales of Simpson-Sears of Canada, which was acquired last July, December-to-December sales rose 34.6 percent.

In the five weeks ended Dec. 31, sales, including those of Simpson-Sears, totaled \$3.75 billion, up from \$2.78 billion a year earlier.

Sears said it was the first time in its 97-year history that December sales exceeded \$3 billion. It said that even excluding its Canadian

unit, the 17.5-percent increase was the largest December-to-December sales gain since 1977.

Sears said double-digit increases were reported in all sections of the nation and in all five merchandise lines — apparel, auto-recreation, appliances, home furnishings and home improvements.

Including Simpson-Sears, sales for the 48 weeks ended Dec. 31 rose 19.9 percent to \$22.7 billion. Most retailers begin their fiscal years in February.

K mart Corp., the second-largest U.S. retailer, reported a December sales gain of 11.3 percent to \$3.07 billion. Fiscal year-to-date sales rose 11.2 percent to \$17.5 billion.

Third-ranked J.C. Penney Co. said December store and catalog sales were up 11.6 percent to \$2.1 billion from \$1.9 billion, its best monthly sales gain in two years.

For the 48 weeks, Penney said sales rose 5.9 percent to \$10.4 billion from \$9.8 billion.

The more modest gain for the

longer period reflected the elimination of some product lines in the interim, including appliances and hardware, as part of Penney's restructuring aimed at concentrating on high-quality apparel and soft goods.

Excluding discontinued lines, Penney's December sales were up 12.7 percent from a year earlier and have risen 7.6 percent over the fiscal year.

Other retail groups reported similar results.

Murdoch Tries to Block Warner and Chris-Craft

The Associated Press

NEW YORK — Rupert Murdoch, the largest shareholder of Warner Communications Inc., has moved to block an agreement that would give Chris-Craft Industries Inc. control of 19 percent of Warner.

The Australian publisher petitioned the Federal Communications Commission Wednesday to prohibit the proposal, arguing that it would violate rules on ownership of media outlets and "may not be in the public interest," a statement by Mr. Murdoch's company, News Corp., said.

News Corp. said it "believes that the proposed transaction... is not in the best interest of Warner and its stockholders."

Chris-Craft is an industrial concern that also operates television stations. It discontinued a well-known line of pleasure boats in 1980.

News Corp. bought 7 percent of Warner last month. The company's U.S. unit, News America Publishing, has filed plans with the Justice Department to lift its share in the entertainment and consumer-electronics giant to at least 25 percent and perhaps up to 49.9 percent.

Warner has 65.4 million common shares outstanding. Some analysts interpreted Warner's agreement with Chris-

Craft as an effort to fend off any takeover attempt by Mr. Murdoch. Warner would acquire 42.5 percent of Chris-Craft's television business, BHC Inc., and Chris-Craft would acquire 19 percent of Warner.

Warner's stock closed at \$28.375 a share Thursday on the New York Stock Exchange, up 37 1/2 cents from Wednesday.

Chris-Craft also said it planned to acquire additional shares that would give it more than 25 percent of Warner.

BHC Inc. owns television stations in Los Angeles and in Portland, Oregon, and through a subsidiary operates four other stations, in Minneapolis; Salt Lake City, Utah; San Antonio, Texas; and San Francisco.

Mr. Murdoch's petition asserted that the transaction would violate rules on cross ownership of TV stations and cable-TV systems and of TV stations and newspapers in the same areas. The agreement also would transfer control of FCC licenses without FCC approval, the petition said.

A Warner spokeswoman said Thursday that the company's only comment on the petition was "We are in full compliance with all FCC regulations." A secretary at Chris-Craft said no one was immediately available to comment.

Mobil, Oilman, Texas Settle Royalties Dispute

Compiled by Our Staff From Dispatches

LAREDO, Texas — An agreement was reached Thursday in a lawsuit against Mobil Oil Co. and officials said the settlement will earn the Texas school fund \$100 million and a rancher, Clinton Mangas, \$400 million over the next 10 years.

Exxon Corp., which had blocked the accord for three weeks while pressing its own claims, cleared the way for the settlement by agreeing to drop its demand for 30.9 percent of half of any settlement.

After 27 hours of negotiations that ended about noon Thursday, two state officials, Attorney General Jim Mattox and Land Commissioner Gary Mauro, filed the agreement in state court along with attorneys for Mobil and Mr. Mangas. Judge George Miller quickly approved the accord.

Mr. Mangas originally had sought \$1.7 billion in damages from Mobil for royalties on oil and gas leases on his South Texas ranch.

Under the agreement, Mobil re-

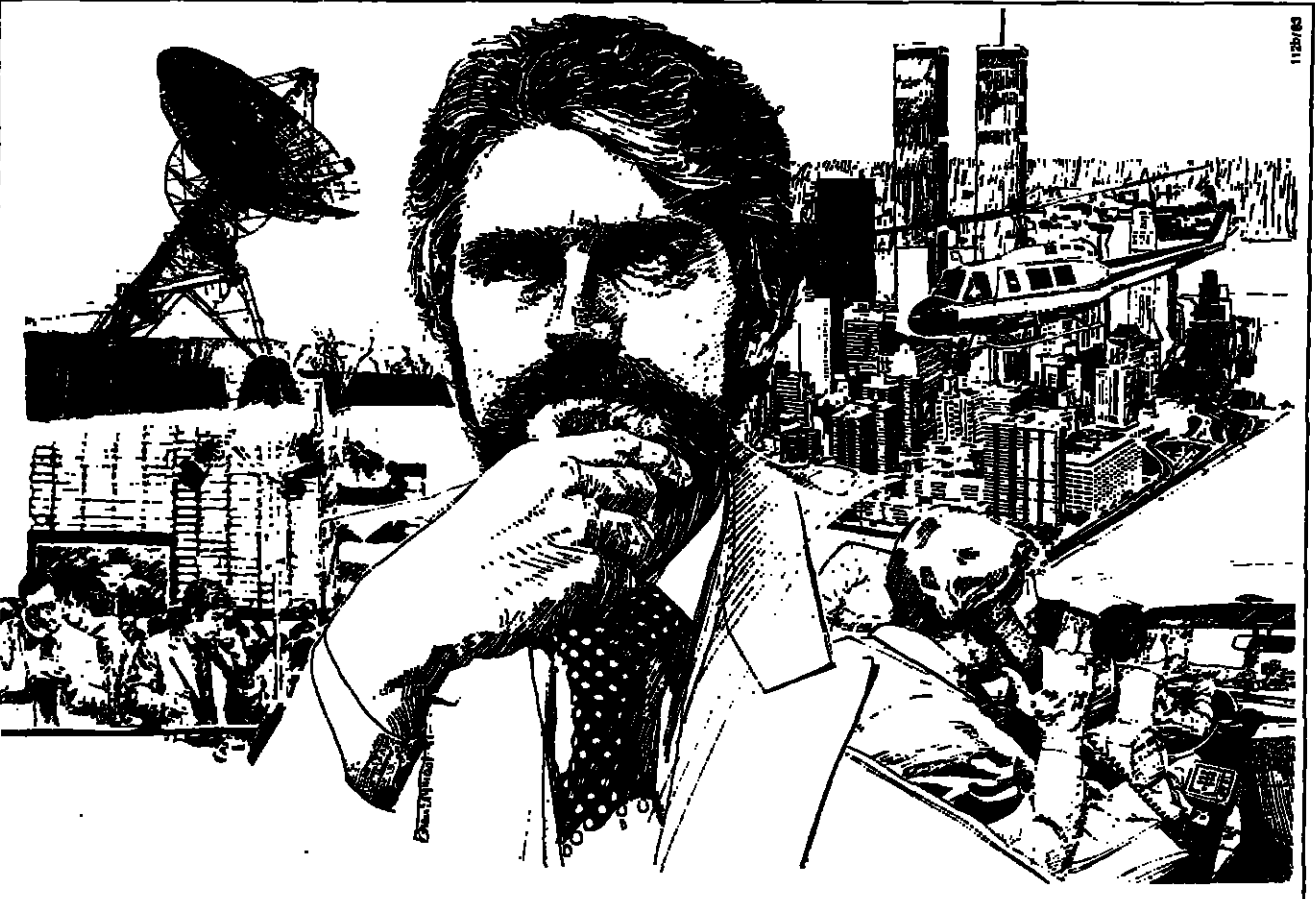
linquishes its claim to oil and natural gas leases containing 129 wells on 64,000 acres (25,600 hectares) of the ranch, allowing the state and Mr. Mangas to assign the leases to a third party.

Mobil attorneys stressed that their company will not pay any money to Texas and that the state's and Mr. Mangas's profit from the accord will come from reassigning the leases to the third party.

In return for Mobil giving up the leases, the state certified that Mobil's original leases on the ranch were valid. When Mr. Mangas filed his suit in 1981, he alleged that Mobil had not lived up to its 1932 drilling and production schedule.

Mr. Mangas originally had claimed all the oil that had been drilled by Mobil since 1932 as his own, and the state later joined Mr. Mangas in the suit because it owns some of the mineral rights to the land.

Exxon owns 30.9 percent of the minerals on the land in dispute, and entered the negotiations last month.



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Shown at left, the head office of Trade Development Bank, Geneva.

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BUSINESS BRIEFS

Trafalgar House to Acquire Candecora

Expansion of Oil-and-Gas Holdings

LONDON (IHT) — Trafalgar House PLC, the London-based property, construction and shipping company, is moving further into oil and

Trafalgar announced Thursday an offer to acquire Candecora Resources in a share swap valuing the oil-and-gas-exploration company at \$76 million (\$108 million). As an alternative to its shares, Trafalgar offered 185.5 pence in cash for Candecora shares. Candecora accepted the terms "in the absence of a higher offer from another suitable party."

The bid came shortly after Trafalgar spent \$23 million for a stake of 1 percent in the giant Forties oilfield in the North Sea. Trafalgar also has oil-and-gas-exploration interests in the United States. Candecora has a stake of less than 1 percent in Forties and large tracts of onshore exploration land in England.

Trafalgar officials said the bid does not affect their offer to acquire Humber & Oriental Steam Navigation Co., another property and shipping company, for about \$300 million.

Total U.K. Unemployment Drops

LONDON (Reuters) — The British unemployment rate fell in December for the third consecutive month, the Employment Ministry said Thursday. But adult unemployment rose for the first time since September.

The total number looking for work dropped by slightly more than 5,000 to 3,079 million, or 12.9 percent of the work force, the ministry said. But adult unemployment, seasonally adjusted, rose 5,500, to 2,944 million.

Ministry officials forecast a seasonal rise of 87,000 in unemployment this month as the winter lull in industry took effect. In November, unemployment had fallen a revised 2,500, to 12.3 percent of the work force.

Manila Seeks \$15-Billion Debt Deal

MANILA (UPI) — The Philippines is seeking rescheduling of \$15 billion in foreign debts, or 61 percent of its total foreign debt, the Central Bank said Thursday. Manila had been reported earlier to be seeking rescheduling of \$9 billion in debt.

The Central Bank governor, Jaime Laya, apparently referring to the political and economic turmoil that followed the assassination in August of Benigno Aquino, the leading opponent of President Ferdinand E. Marcos, attributed the debt crisis to "certain domestic developments," export shortfalls and a high debt-service burden beginning in 1981.

Prime Minister Cesar Virata said earlier that the debts to be rescheduled involved principal payments due from 1984 through mid-1985.

Brazil Exceeds Its Trade Projection

BRASILIA (AP) — Brazil has surpassed its projections for its 1983 trade balance, the Finance Ministry said Thursday, and added that it was expecting a 1984 surplus of \$10 billion.

"We expect 1983 will show a \$6.5-billion trade surplus," said the Finance Ministry spokesman, Pedro Luiz Rodriguez. The official figures have not yet been announced.

Brazil, in economic statements to the International Monetary Fund, earlier said the 1983 surplus was \$6 billion. It subsequently said it expected a trade surplus of \$6.3 billion.

French Foreign Debt at \$53 Billion

PARIS (Reuters) — France's foreign debt rose to \$53 billion at the end of 1983, compared with \$52.5 billion in May 1981, when the Socialist government took power, Finance Minister Jacques Delors said Thursday.

He told a business conference organized by the magazine L'Expansion that France would not be able to repay both principal and interest due in 1984 without further borrowing, but that in 1985 it would be possible.

Dollar's Rise Is Fueling Anxiety About a Drop

(Continued from Page 11) Federal Reserve to encourage at least a small decline in interest rates. Last month, the U.S. government estimated that the economy was growing at an inflation-adjusted rate of 4.5 percent in the fourth quarter, well below the 6 percent to 7 percent forecast by some economists.

"The Fed will be surprised" by the weakness of the economy, says Mr. Richebächer, who points to slowing in such "strategic areas" as construction and auto production. Some leading analysts remain bullish on the dollar. International Treasury Management, for example, says the U.S. currency is likely to weaken slightly in the next three to six months but end the year about 2.70 DM. Jim O'Neill, an economist at ITM, says the market will not ditch the dollar until it sees firm evidence that the U.S. government will reduce its budget deficit.

More daring is Brian Marber, a prominent British technical analyst, who says that his charts tell him that the dollar is headed to 3.95 DM, though perhaps not this year. "The dollar may be overvalued but it appears not to care," he says.

Few analysts are looking for a major decline in the first quarter. The U.S. Treasury is expected to raise about \$60 billion in the quarter, underlining the threat of higher interest rates. In the second quarter, though, U.S. Treasury borrowing normally abates as income-tax receipts arrive. Many analysts think that will help moderate interest rates and the dollar lower.

When they try to look further ahead, most economists say the election fogs up their crystal balls. At current levels, the market is assuming that President Ronald Reagan will be re-elected in November. But any sign that the Democrats are gaining the upper hand would be likely to send the dollar tumbling on expectations of higher inflation.

At Banque Nationale de Paris, Robert François, chief economist, recalls that in the late 1970s rising interest rates were taken as a sign of dollar weakness. High rates, he argues, "make a strong currency stronger and a weak currency weaker."

Many bears also expect the U.S. economy to slow markedly this year. That would reduce the risk of surging inflation and allow the

Yen, DM Seen as Alternatives

(Continued from Page 11) strong trade surplus. It also does little to suggest that the opposition Progressive Conservative Party will win the next Canadian election, boosting business confidence.

Australia lowered its barriers to foreign investors last year, and IMF says that move should draw in more funds.

Even so, both Australia and Canada rely heavily on commodity exports, and many investors are not happy to bet that oil and minerals will break out of their slump this year.

One way to hedge is to invest in currencies denominated in the European Currency Unit, an artificial currency that reflects the value of the European currencies.

ECU investments have proved particularly popular in the Benelux countries. Eurobond issues denominated in ECUs totaled the equivalent of \$1.7 billion in 1983, accounting for 3.9 percent of all

AMC to Report Profit For First Time Since '80

By John Holusha

New York Times Service

DETROIT — American Motors Corp., which has had losses for 14 consecutive quarters, will report a profit for the fourth quarter of 1983, according to Jose J. Dedeurwaerde, the company's president.

Mr. Dedeurwaerde declined to be specific in his comments Wednesday about the results for the period, saying only that the company's long string of losses had ended.

AMC last reported a profit, of \$1.3 million, in March 1980. Since then it has had cumulative losses totaling \$643.5 million, including \$154.1 million in the first three quarters of 1983.

Mr. Dedeurwaerde also declined to flatly predict a profitable year in 1984, but said the company had a "good chance" of remaining in the black if sales of small cars stay brisk. Some analysts have estimated that the company could earn \$38 million to \$57 million next year.

The Belgian-born executive, who was formerly with France's Regie Nationale des Usines Renault, which owns 46 percent of AMC's shares, said the company's car sales had increased 71 percent, to 192,744, in 1983, largely on the strength of its Renault Alliance subcompact and the related Encore model.

He also said that sales of AMC's four-wheel-drive Jeep and Eagle vehicles increased 28 percent, to 81,626, during the year.

However, Mr. Dedeurwaerde said that small-car sales have fallen off in recent months, as buyers

have favored larger models. "The small-car segment of the market is not going very well," he said. "Fifteen months ago it was 23 percent of the total; now it is closer to 18 percent."

As a result, he said, the company's hopes for increasing its sales this year are guarded. And, he added, the renewed popularity of larger cars will force AMC to develop larger models as quickly as it can.

"We are vulnerable because we are presently only in the small-car business," he said. "We cannot live with a small-car strategy alone."

He said AMC would develop a car bigger than the Alliance that would be similar in size to such compact and midsize models as the Honda Accord and Chevrolet Celebrity. The new model would be based on a Renault-developed car, he said.

Mr. Dedeurwaerde declined to say when the larger model would be introduced or where it would be produced, but said that five years from now it was his goal to have AMC competing in 50 percent of the car market, rather than in the current 25 percent. Another target, he said, was to reduce the sale of Alliance-size cars to 50 percent of all AMC car sales.

While the larger model is being developed, he added, AMC will introduce another derivative of its Alliance early in 1985. He did not give details. The Encore is a two-door hatchback derivative of the Alliance sedan. Both versions are made at AMC's factory complex in Kenosha, Wisconsin.

Chrysler Said To Near Accord With Mitsubishi

The Associated Press

TOKYO — A newspaper reported Thursday that Chrysler Corp. and its Japanese partner, Mitsubishi Motors Corp., are engaged in final discussions on joint production of cars in the United States, but Chrysler said the report went too far.

The newspaper, Asahi Shimbun, said the two automakers were most likely to use one of Chrysler's idle factories to produce about 200,000 subcompact cars a year, starting in 1986.

A Mitsubishi Motors spokesman was quoted as saying that both parties were "continuing feasibility studies on the cost of production facilities and the supply of parts" for the joint venture.

But a Chrysler spokesman, Doug Nicoll, said in Detroit that "there's been no agreement made. It's a study..." He said in February '83 that he would explore joint production, Mr. Nicoll said. "That's where it's at."

He noted that Chrysler has long owned 15 percent of Mitsubishi Motors and marketed its cars in the United States and meets regularly with its executives. But he said the newspaper story went too far.

Asahi Shimbun said Mitsubishi decided on a tie-up with Chrysler, rather than starting its own production plant, because the U.S. automaker has come out of its deficit crisis and a solo Mitsubishi operation would be too risky.

Getty Heiress Goes to Court to Fight Pennzoil, Trust's Buyout of Oil Firm

The Associated Press

LOS ANGELES — A Getty family member went to court Thursday to challenge Getty Oil Co.'s agreement to be converted to a private company owned jointly by Pennzoil Co. and the Sarah C. Getty Trust.

Claire Eugenia Getty, a granddaughter of Getty Oil's late founder, J. Paul Getty, won a temporary restraining order blocking the transaction, which was announced Wednesday.

Judge Richard P. Byrne of Los Angeles County Superior Court scheduled a hearing for late Thursday to hear arguments on whether to extend the order, a court clerk, Clarence Ramsey, said.

Moses Laske, a San Francisco lawyer representing the Sarah C. Getty Trust, was not accepting calls from reporters, a secretary said. One of Miss Getty's attorneys, Michael Whalen, said he could not comment.

Miss Getty is the daughter of George F. Getty II, who was executive vice president and chief operating officer for Getty Oil until he died in 1973.

The proposed transaction, announced Wednesday and valued at about \$3.3 billion, would be one of the largest in U.S. corporate history. Getty Oil is the 14th-largest oil company in the United States, with annual sales of \$11.9 billion and assets of \$9.9 billion. Pennzoil has annual sales of \$2.3 billion and assets of \$3.2 billion.

Although the ultimate fate of Getty Oil will not be known until next Dec. 31 — a self-imposed deadline for restructuring the com-

pany — some analysts predicted that the company eventually would be split up.

At the least, analysts said, the surviving company will be vastly changed. The merger announced Wednesday — which is subject to a definitive agreement, Getty Oil shareholder approval and various regulatory requirements — ended months of warring between company management and Gordon P. Getty, 49, who controls the 32 million Getty Oil shares held by the Sarah C. Getty Trust. The trust is named for his grandmother.

The transaction would give shareholders other than Pennzoil and the Sarah C. Getty Trust \$110 a share, plus a deferred cash payment of at least \$5 more a share.

Robert Harper, a Pennzoil spokesman in New York, said the accord called for Pennzoil to buy 24 million of the publicly held Getty shares for about \$2.6 billion. Getty would buy the remaining 24 million for about \$2.6 billion.

Mr. Harper said it would take "three to six months" before Pennzoil and Getty officials would propose a restructuring of the new combined company, which has not been given a name.

The trust set up by J. Paul Getty and his mother would own 57 percent of the "new" Getty, up from its current 40.2 percent. Pennzoil would own the remaining 43 percent. Getty currently has 79.8 million shares outstanding.

The agreement clouded the future for Getty's chairman, Sidney

R. Petersen, who has battled Gordon Getty in the courts for control of the diversified petroleum company.

The biggest single winner would be the already wealthy J. Paul Getty Museum in Malibu, California. The second-largest Getty Oil shareholder with 11.8 percent of its stock, the museum would collect more than \$1 billion if the proposed transaction is completed.

A Pennzoil spokesman said J. Hugh Liedtke, chief executive of the Houston-based oil and gas company, would be the president and chief executive of the new Getty Oil. Blaine P. Kerr, president of Pennzoil, would be chairman of Getty's executive committee.

Getty stock, which had risen about 33 percent in value in the past month, fell 25 cents Thursday to \$104.125 a share on the New York Stock Exchange. It had risen \$6.25 Wednesday.

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Dominant Hong Kong TV Firm to Offer Stock

By Dinah Lee

International Herald Tribune

HONG KONG — Hong Kong's leading television company, Television Broadcasts, known as TVB, said Thursday it plans to make a public stock offering of 105 million shares, or 25 percent, of its shares at 2.65 Hong Kong dollars (\$3.4 U.S. cents) apiece.

The chairman of TVB, Sir Run Run Shaw, had earlier deferred the stock sale, which had been scheduled for October, because of slack market performance.

Sir Run Run on Thursday said

facetiously to the press that he would have set the share price higher, but Raymond Lee, a spokesman for the underwriters of the offering, Sun Hung Kai International Ltd., a unit of Sun Hung Kai Co., said the issue had been postponed and the share price lowered to adjust to current market conditions.

Sir Run Run is best known for the popular Kung Fu movies produced by his Shaw Studios, which since TVB's beginning in 1965 have played a large part in the popularity of the company's "Jade" Chinese-language channel, which has

at least 80 percent of Hong Kong's Chinese audience of 5 million. TVB estimates that profit for 1983 was 173 million dollars, up from 1982's 142.1 million dollars. In 1978, the station earned 21.1 million dollars. The company also has an English-language channel, "Pearl," but analysts said earnings from that channel are not consequential.

Several share offerings have been made in Hong Kong recently, but the TVB offering is the first of those not to be connected with manufacturing or property. The company expects to diversify into businesses related to TV broadcasting, but would not give further details Thursday. The TVB stock to be offered is owned by Hutchison International Ltd., Pearl Securities Ltd., Eastern Finance Ltd., Anglia Television Group PLC and International Entertainment Enterprises Ltd. As a result, Sir Run Run, his family interests — the Shaw Organisation — Sun Hung Kai Securities Ltd. and the family of H.W. Lee will remain the principal shareholders.

Analysts observed that the sale means that TVB remains primarily

controlled by local Chinese. They added that TVB may have exhausted further growth potential in the television-advertising market.

TVB's only rival for both English and Chinese-language audiences in Hong Kong, Asia Television Ltd., has hit troubled times. Largely pushed out of the lucrative Chinese television-advertising market by TVB's tighter management and more successful marketing, ATV's Hong Kong partners, Deacon Chu and his son Dick have been negotiating to find a buyer for their 50-percent holding, which is valued at 50 million to 100 million dollars.

This week the elder Mr. Chiu denied reports that he had agreed to sell the Chiu family holding to a Malaysian theater and film-distribution company, Golden Star Group, that had considered buying the Chiu family stake. The other 50-percent stake is held by an Australian group — David Syme & Co. and the CRA mining and resources conglomerate. Market sources said this week that the Australians are negotiating to sell their holding back to the Chiu family.

Assuming a Reagan victory, Mark Fulton, an economist at the London stockbrokerage of James Capel & Co., predicts a moderate fall in the dollar this year and says that a major drop may come in 1985 with real evidence of a cut in the U.S. budget deficit.

On the dollar's performance hinges the timing of the next realignment of currency values in the European Monetary System. A sharp drop in the dollar tends to push up the Deutsche mark, throwing it out of line with the weaker currencies in the EMS, the five-year-old system that limits the divergence of seven European currencies.

On the assumption that no sharp fall in the dollar is imminent, many

Hyundai Engineering

Reuters

SEOUL — Hyundai Engineering & Construction Co. will go public in the second half of 1984, the company said Thursday. It said that Hyundai Engineering, a subsidiary of Hyundai Corp., will offer shares for sale gradually from the second half of this year.

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ASKING FOR A RAISE

...MIND YOU, SOME
O' MY FRIENDS
NEED A BIT O'
WATCHING

THERE, THERE... IT MUST HAVE BEEN HUMILIATING

"HAVE A GOOD TIME." HE SAYS

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partially cloudy; r-rain; sh-showers; sn-snow; st-stormy.

[illegible][illegible]

Commodities				Futures			
Closing Prices in local currencies				Closing Prices in local currencies			
	Class	Prev.	Settle		Class	Prev.	Settle
Copper	14.70	14.70		Dunlop	6.80	6.80	
	14.72	14.72			6.80	6.80	
	1.80	1.80			6.80	6.80	
	1.80	1.80			6.80	6.80	
	1.80	1.80			6.80	6.80	
	1.80	1.80			6.80	6.80	
	1.80	1.80			6.80	6.80	
	1.80	1.80			6.80	6.80	
	1.80	1.80			6.80	6.80	
	1.80	1.80			6.80	6.80	
Index: 198.99				Index: 198.99			
77.34				77.34			
annoburg				annoburg			
9.20				9.20			
14.70				14.70			
14.72				14.72			
1.80				1.80			
1.80				1.80			
1.80				1.80			
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[illegible][illegible][illegible]

Then there was a statement by Thieu, a sorrowful expression that was perhaps a call for basic logic sacrificed to political ambition. "The simplest way to achieve peace is to in North Vietnam end its war of aggression in South," he told the National Assembly in Hanoi in December of 1972. "We do not demand that the war end with a victory... only justice and with minimum righteousness that is, that the invaded must cease to be invaded and that the aggressor must go home."

When the spade jack was to the ace, West had to surrender. He parted with a diamond, and the diamond to the closed hand won the trick and the game.

[illegible]

